Daily Report

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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

3 Caricom States Want Pressure Kept on Pretoria *[CANA]* 1
Tin-Producing Countries To Define APPE Future *[La Paz PRESENCIA 29 May]* 1

INTER-AMERICAN AFFAIRS

UN Agency Proposes Solution to Debt Problems *[CANA]* 2

CARIBBEAN

Cuba

Central Committee Member on Soviet Cooperation *[Hamburg DPA]* 3
Commentator on Economic Relations With USSR *[Havana International]* 3
Havana Notes Gorbachev Offer on U.S. Relations *[Havana Radio]* 4
RSFSR Declaration of Sovereignty Reported *[Havana TV]* 4
PAHO Delegation Visits To Analyze Cooperation *[Havana TV]* 4
Importance of Fuel Efficiency, Savings Noted *[Havana TV]* 4

Dominica

Labor Party Reelects Michael Douglas Leader *[CANA]* 5

Dominican Republic

JCE Confirms Joaquin Balaguer as President *[Santo Domingo Radio]* 5
PRD To Challenge Elections in Five Provinces *[Santo Domingo Radio]* 6
Central Bank Reports Expenditures for May *[Santo Domingo Radio]* 6

Haiti

Cabinet Reshuffle Hinted; Legagneur Interviewed *[LE NOUVELLISTE 11 Jun]* 6
OAS Report Notes Insecurity, Condemns Violence *[Port-au-Prince Radio]* 6
Bazin Interview Provides Insight on Elections *[Port-au-Prince Radio]* 7
Gerard Latortue Reportedly To Run for President *[LE NOUVELLISTE 11 Jun]* 7
Activities in Leogane Protesting State Council *[Port-au-Prince Radio]* 7

Jamaica

Manley Government Unveils Five-Year Plan *[CANA]* 8
Seaga Reelected Leader of Opposition Labor Party *[CANA]* 9

St. Vincent and the Grenadines

Alleged Drug-Involvement Investigation Reported *[CANA]* 9

Trinidad and Tobago

Senate Passes New Foreign Investment Bill *[CANA]* 9

MEXICO

President Salinas Comments on Visit to U.S. *[NOTIMEX]* 11
PRD Deputies Deny Conflicts Within Party *[UNOMASUNO 4 Jun]* 11
'Impunity', 'Corruption' of Officials Condemned *[UNOMASUNO 6 Jun]* 12
* Camacho's Political Modus Operandi Discussed *[PROCESO 16 Apr]* 13
Correction to Paper Commissions Poll on Ties 16

CENTRAL AMERICA

El Salvador

FMLN Says 'Demilitarization' Essential Factor *[ACAN]* 17
Colonel Ponce on Armed Conflict, Jesuits' Case *[San Salvador TV]* 17
Colonel Mauricio Vargas Interviewed *[San Salvador Radio]* 18

Guatemala

Government Terms Cacif's Statements 'Illogical' *[PRENSA LIBRE 8 Jun]* 18
Cerezo 'Literally Justified' Building Occupation *[EL GRAFICO 6 Jun]* 19
Cerezo To Release Report on Leftist's Murder *[ACAN]* 19

Nicaragua

President Chamorro To Disarm 'Entire Government' *[ACAN]* 19
Chamorro in Costa Rica To Attend Figueres Funeral *[ACAN]* 20
Arguello, Not Godoy, To Be Acting President *[Managua Radio]* 20
Daniel Ortega Comments on Plan To Reduce EPS *[ACAN]* 20
Ortega Announces FSLN Democratization Process *[BARRICADA 11 Jun]* 21
Human Rights Commission on Contra Kidnappings *[Managua Radio]* 21
Central Bank President on Economic Aid *[Managua Radio]* 21
Labor Discusses Economic Aid, Sandinists' Stand *[Managua Radio]* 22
Offices 'Instructed' To Hang Chamorro Picture *[Managua Radio]* 23

Panama

Endara Interviewed on Economy, Government *[EL SIGLO 11 Jun]* 23
Reportage on Chorillo Refugee Situation 24
Homeless To March To U.S. Embassy *[CRITICA LIBRE 12 Jun]* 24
Protest, Demand Compensation *[LA PRENSA 12 Jun]* 24
Minister Denies Meningitis Outbreak *[CRITICA LIBRE 12 Jun]* 25
Civic Crusade Marks 3d Anniversary With March *[CRITICA LIBRE 9 Jun]* 25
Candidates for Arnulfist Party Leadership Viewed *[EL SIGLO 7 Jun]* 26

SOUTH AMERICA

Argentina

Army Commander Reaffirms Support for President *[NOTICIAS ARGENTINAS]* 27
Colonel Denies Reports on Reason for Retirement *[NOTICIAS ARGENTINAS]* 27
Army Appoints New Commander in Skiers Company *[NOTICIAS ARGENTINAS]* 27
Minister Opposes Pharmaceutical Patenting *[TELAM]* 27
Creditor Banks May Block Privatization Effort *[BUENOS AIRES HERALD 12 Jun]* 28
Reportage on President's Visit to Italy *[cross-reference]* 28

Bolivia

Labor Group Condemns U.S. Ambassador's Remarks *[PRESENCIA 8 Jun]* 28
Anez Rejects Multinational Antinarcotics Force *[PRESENCIA 7 Jun]* 28
National Drug Council Leadership Installed *[La Paz Radio]* 29
Minister on State Mine's Economic Situation *[PRESENCIA 5 Jun]* 29

Brazil

Negotiator Outlines Talks on Foreign Debt *[O GLOBO 11 Jun]* 30
IBAMA Requests Protection for Environmentalists *[Brasilia Radio]* 32
Itaipu Power Plant Workers on Strike *[Rio de Janeiro TV]* 32

Chile

Government Discusses Pisagua With Armed Forces *[Madrid EFE]* 32
Letelier's Relatives Reject Indemnity *[Madrid EFE]* 33
Defense Minister on Meetings With Commanders *[Santiago Radio]* 33
Police Clash With Demonstrators in Santiago *[Santiago Radio]* 34
Lautaro Youth Movement Attacks School *[Santiago Radio]* 34
Navy Dockyards Closed to Soviet Fishing Vessels *[DYN]* 34
* Human Rights Commission Decree Changes Noted *[EL MERCURIO 29 Apr]* 34
* Development of Aeronautics Industry Viewed *[EL MERCURIO 29 Apr]* 37

Colombia

U.S. Position at GATT Meeting Reviewed *[Bogota TV]* 39
EPL Chief Disavows Peace Talks With Government *[Madrid EFE]* 40
ELN Leader on Conditions for Dialogue *[Madrid EFE]* 41

Paraguay

Police Issue Communique on Demonstration *[EL DIARIO 12 Jun]* 41

Peru

APRA To Support Fujimori's National Agreement *[Lima TV]* 42
List of Elected Senators Released *[Lima TV]* 42
Economy Minister on Economic Growth, Reserves *[Lima TV]* 43
More on Arrest of Terrorists Over Past 24 Hours *[Madrid EFE]* 43
Car Bomb Explodes in Cuzco; 1 Dead, 9 Wounded *[Madrid EFE]* 44

Suriname

Army Ordered To Restore Connection to Moengo *[Paramaribo International]* 44

3 Caricom States Want Pressure Kept on Pretoria

FL0406182290 Bridgetown CANA in English 1736 GMT 4 Jun 90

[Text] United Nations, June 4, CANA—Although the South African Government has taken a few steps that could lead to the elimination of apartheid, three Caricom states want nations around the world to keep the economic pressure on Pretoria in order to force fundamental change. The Bahamas, Jamaica, and Trinidad and Tobago backed a move in the UN Economic and Social Council that called on governments everywhere to maintain existing measures, including the economic embargo, against South Africa until there was clear and convincing evidence of profound and irreversible change in that country.

The Caricom states and 33 other members of the council were particularly concerned about the "official invitations" being extended to South African President De Klerk because they said such invitations could be "construed to mean the relaxation of pressure against the apartheid regime."

A tally of the votes on the the question of invitations, showed that France, West Germany, Greece, Ireland, Italy, Netherlands, Portugal, and the U.K. voted against the move.

At the same time, most members of the council urged all governments to help the UN Human Rights Commission update its listing of banks, multinational corporations, and other organizations which were assisting "the racist and colonialist regime" of South Africa.

Tin-Producing Countries To Define APPE Future

PY0606171490 La Paz PRESENCIA in Spanish 29 May 90 p 4

[Text] The Association of Tin-Producing Countries [Asociacion de los Paises Productores de Estano - APPE] will define its future in La Paz next September. It will also make an analysis of whether or not it can continue to exist with an international market in which the main tin-producing countries are not members.

The information was released yesterday by Mining and Metallurgy Minister Walter Soriano Lea Plaza, who pointed out that Bolivia will not resign from APPE unilaterally. This organization includes Bolivia, Australia, Indonesia, Malaysia, Nigeria, Thailand, and Zaire. Brazil and the PRC, the world's largest tin producers, are not APPE members.

At the APPE meeting to be held in La Paz, Bolivia will analyze the possibility of continuing to be an APPE member in view of the advantages that this organization offers to its members.

Soriano regretted the fact that the fluctuation in the price of tin on the international market is caused by the positions adopted by countries that are not APPE members.

"These countries, which are not APPE members, cause serious fluctuations in the international price of tin. In the near future we want to define, together with the other tin-producing countries, whether APPE ought to continue to exist."

The APPE agreement establishes an annual export quota for member countries to prevent the saturation of the international market. In the last few years however, other countries—such as Brazil and the PRC—have become the main tin producers although they do not belong to APPE, while other countries—such as the United States—have managed to store large tin reserves over the years, which consequently, increased the supply.

"There are tin-producing countries that produce large amounts of tin, but do not belong to APPE. As a result, they are not subject to the restrictions that APPE imposes on its members," Minister Soriano said. "An analysis with all the members of the association, will determine the future of APPE," he added.

In 1986, the United States introduced a large quantity of tin into the international market and caused a sudden reduction in the price of the mineral. This caused many state-owned and private Bolivian mines to go bankrupt.

UN Agency Proposes Solution to Debt Problems

FL1206183190 Bridgetown CANA in English
1657 GMT 12 Jun 90

[Text] Bridgetown, Barbados, June 11, CANA—A United Nations agency has come up with six basic proposals for remedial action and an amendment to the so-called Brady Plan to reduce the debt burden of Caribbean and Latin American countries. According to a report—Options To Reduce The Debt Burden—of the Chile-based Economic Commission for Latin America and the Caribbean (ECLAC), at the end of 1989, the region's gross external debt was U.S. 422.4 billion dollars. It suggested that in moving towards a successful Brady Plan, these proposals might be considered:

1. Tripling public resources in support of debt reduction to U.S. 90 billion dollars.

2. More flexible deployment of official finance.

3. Accelerated elimination of legal, regulatory, accounting, and tax obstacles to debt reduction.

4. More assertive and transparent International Monetary Fund (IMF) policy on financing assurances.

5. Reduction of Paris Club debt.

6. New mechanisms to assuage the burden of debt service to multilateral lenders.

The Brady Plan, announced March 1989 by U.S. Secretary of the Treasury Nicholas Brady, proposed to stimulate policy reform and growth in debtor countries through voluntary case-by-case debt and debt service reduction in respect of obligations to the commercial banks. According to the ECLAC report, however, even if the Brady Plan were strengthened by enacting the new proposals, it would still suffer from serious inefficiencies.

It therefore called for consolidating the Brady Plan, described as an ad hoc programme, into a specialised debt facility, which would not only reduce those inefficiencies, but lower the ultimate costs of supporting debt reduction.

"Unlike the tenuous arrangements of an ad hoc plan, a specially-capitalised facility would be an irrevocable message to all market participants, expressing determination to eliminate the debt overhang," ECLAC said.

The report pointed out that for many Caribbean and Latin American countries, the debt problem, brewed in the '70's, and became a permanent obstacle to development in the '80's.

"It now threatens to remain an important development issue as well as a contentious topic in the arena of international economic cooperation in the '90's," it said.

With the passage of time, the report said, the premise that the debt problem was systemic has proven correct.

"Hence, the first and best option for resolving it is a comprehensive concerted or collective solution which distributes costs in a way that is functional to a rapid restoration of confidence in the system as whole," the report added, "only that way can losses in global output and employment be minimised."

It argued that a relatively untold story in the development crisis of the region was the reluctance of the creditor governments to accept the systemic character of the crisis and to assume their responsibilities in an interdependent world.

The report said the six basic proposals for remedial action were systemic in character but negotiating their implementation would require concerted action of debtors as well as of creditors, while their application to each individual case would lend itself to a case-by-case approach.

ECLAC noted, however, that making the Brady Plan more robust would not be an easy task, since the driving force behind it was the U.S. Government whose capacity to finance ambitious international initiatives was hampered by a very serious fiscal disequilibrium.

"In the meantime," it said, "many countries faced with the destabilising effect of an excessive outward transfer of resources will be obliged to opt for a unilateral restriction of debt service payments."

The report said that although a unilateral restriction on debt payments was clearly not the first best solution to the debt problem, in the absence of an effective public solution, it might prove to be a second best alternative for many debtor countries which were forced to reduce the outward transfer of resources.

Cuba

Central Committee Member on Soviet Cooperation

PA1206214490 Hamburg DPA in Spanish 1846 GMT 12 Jun 90

[Report by Juan Carlos Salazar]

[Text] Havana, 12 Jun (DPA)—The "eternal friendship," as President Fidel Castro calls the Cuban-Soviet cooperation that has existed for three decades, seems to have turned into the "Achilles heel" of the Cuban economy.

Even though Konstantin Katushev, Soviet minister of foreign economic relations, has just ratified Moscow's support for Havana, the Cuban Government fears that growing internal difficulties in the USSR could lead to an interruption in the supply of petroleum and petroleum by-products to the island.

In his latest television appearance, Castro said that there were moments this year when the harvest was on the verge of coming to a standstill because of a lack of fuel. He said that the current "agony" was the shortage of tires. He said that, regardless of "unquestionable goodwill," the "stubborn reality" makes one think of greater problems.

Cuba and the USSR signed an agreement last 17 April for economic and commercial cooperation for 1990 in the amount of 9.2 billion rubles, which is eight percent higher than it was in 1989.

According to Cuban statistics, imports amount to some $5 billion and exports total $4 billion. Cuban sales include over 4 million tons of sugar and over 200,000 tons of citrus fruits, nickel, and cobalt.

Soviet Ambassador Yuriy Petrov recently reported that 30 percent of the sugar and half of the citrus fruits that are consumed in the USSR come from Cuba. Meanwhile, the USSR meets Cuban needs for petroleum (12 million tons every year), laminated steel, machinery, tools, and over 700 types of products.

Jorge Gomez Barata, a high-ranking member of the Central Committee of the Communist Party of Cuba (PCC), admitted that Soviet supplies have become a "vulnerable" part of the Cuban economy, and that their interruption could have "dramatic" consequences for the island, in light of the fact that "the country is living on a day-to-day basis, without a lot of reserves."

During an interview granted to DPA in his Central Committee office, Gomez Barata admitted that the issue has generated "uncertainties," because nobody knows how much more complicated internal political processes in the USSR could become.

In spite of this, he emphasized that "Cuba's economic problem is not Soviet cooperation, but the economic and commercial blockade" imposed by the United States. "Without the blockade," he noted, "Cuba could solve 90 percent of its foreign trade problems."

He added that the "aberration" of this "illegitimate blockade" forces Cuba to travel 10,000 km to sell oranges and buy petroleum. "The United States imposes a blockade on us and criticizes us for depending on the USSR, but this was not our choice; it was imposed by the blockade that Latin America later joined," he added.

Gomez Barata said that exchange with the eastern European countries is a two-way issue. Although it is true that Cuba depends on its former allies for many of its supplies, its allies in turn depend on Cuban products that they will not be able to replace without expending a considerable amount of foreign currency.

Speaking before a group of workers, Castro said that Moscow has so far maintained a "solid and firm" stand, but he admitted that the internal difficulties Mikhail Gorbachev is facing could have an influence on Soviet cooperation with the island. "There is no sense in hiding such risks," he pointed out. At the same time, he warned that Washington would make a serious mistake by expecting these problems to economically stifle the Cuban Revolution.

Commentator on Economic Relations With USSR

PA1206224490 Havana International Service in Spanish 0050 GMT 12 Jun 90

[Commentary by Roberto Morejon]

[Text] The Soviet Union has confirmed to Cuba that it will continue to apply the preferential and friendly treatment that has marked bilateral ties between the two countries in the past 30 years. The Soviet Union's interest in continuing trade with Cuba under mutually profitable terms was reaffirmed in Havana during the recent visit of a Soviet delegation headed by Konstantin Katushev, Soviet minister for foreign economic relations.

The final document released by the Cuba-USSR joint committee which met in Havana, included several views and opinions on bilateral relations topics that will be discussed in future meetings. The Soviet Union and Cuba clearly make special efforts to comply with the signed accords despite the difficulties created by internal events in the Soviet Union and Cuba's financial limitations. Cuba's enemies, particularly the United States, are pressuring Moscow to reduce its trade with the Caribbean nation, especially in oil shipments. This pressure is based on the assumption that the trade reduction will topple the local government.

Cuban Foreign Trade Minister Ricardo Cabrisas said in Havana that there is a willingness to comply with the contracts for shipments, including oil shipments, despite probable difficulties and delays in the supply of lumber and other products. Cuba increased its efficiency in port

operations with Soviet ships by 20 percent; these operations will help clear Cuba's bays and make sea transport more effective. There may also be a broad opening in bilateral ties with the possibility of Cuba's expanding its exports of health equipment and medicines to the Soviet Union. According to Katushev, the problems that might arise in Soviet-Cuban economic cooperation will be successfully resolved.

Havana Notes Gorbachev Offer on U.S. Relations

FL1206174290 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Jun 90

[Text] Upon presenting parliament with a report on his recent summit with George Bush, Soviet President Mikhail Gorbachev today said that the USSR rejects the stance of the U.S. Government regarding relations between Cuba and the USSR. During this dialogue, he said, it was determined that the position of the United States toward Cuba is influenced by the complex factors stemming from the cold war and is based upon those prejudices. Our position remains invariable, Gorbachev said. We favor the normalization of relations between Havana and Washington, and the USSR is ready and willing to help achieve this goal if the two parties ask us for our assistance, he added. The ball is now in the United States' court, Gorbachev stressed.

RSFSR Declaration of Sovereignty Reported

FL1206142490 Havana Tele Rebelde Network in Spanish 1345 GMT 12 Jun 90

[Text] At the close of this newscast, it was reported that the Congress of People's Deputies of the Russian Soviet Federated Socialist Republic [RSFSR] today approved a declaration of sovereignty. The RSFSR is the largest of the Soviet republics. The declaration was approved with 907 votes in favor, 13 against, and 9 abstentions.

The document calls the Russian federation a sovereign state, establishes the primacy of its constitution and laws throughout the entire republic, and upholds the right to withdraw from the USSR in accordance with the federal agreement and corresponding legislation.

The Russian federation is comprised of 16 republics and five autonomous regions. It has a surface area of 17.075 million square km and 150 million inhabitants.

PAHO Delegation Visits To Analyze Cooperation

FL1306010590 Havana Television Service in Spanish 0000 GMT 13 Jun 90

[Text] A high-level delegation from the Pan American Health Organization [PAHO] is visiting our country to analyze and broaden the cooperation program with Cuba.

PAHO Director Dr. Carlyle Guerra de Macedo and Assistant Director Dr. (George Alain) were received by Juan Escalona, president of the National Assembly of the People's Government. Carlyle showed interest in the existing association between the Peoples' Government and the health field. He said Cuba is a model in this and in the primary attention service, with the expansion of the family doctor program to the child-care centers and work centers.

The PAHO director discussed the way the number of suicides, murders, and infant mortality rates are increasing more and more in the area. He gave Peru as an example. In Peru, 80 children out of every 1,000 live births die. Sometimes, this index is higher because of the lack of statistical controls. The economic crisis increasingly affects health in Latin American countries. Health is considered a marginal aspect in the legal field in the region.

This is why the Democracy and Health meeting is so important. This meeting will be held in Venezuela between 18 and 22 June. Its goal is to obtain the political will to provide greater participation by the health sector in parliaments and in the development process of each territory. A large Cuban group will attend this meeting.

During the course of the day, the PAHO delegation also met with Public Health Minister Julio Teja and various vice ministers.

Importance of Fuel Efficiency, Savings Noted

FL1306015090 Havana Television Service in Spanish 0000 GMT 13 Jun 90

[Report by Lissette Bustamante; italicized passages are recorded]

[Excerpts] [Bustamante] The first national meeting on fuel efficiency will be held in Havana's Palace of Conventions on 14 June.

Many people may ask themselves why this meeting on fuel efficiency is being held and to what extent it affects daily life. I believe it is of great importance if we take into account the current situation the country is experiencing and, especially, the one coming up.

[Manuel Aguilera, executive secretary of the National Energy Commission] *We do not have the necessary energy resources to face the tasks we must undertake. Most of these resources come from abroad, specifically, from the Soviet Union. There have been some difficulties in receiving certain amounts of fuel on time. This has prevented us from having a stable production in certain industries, in certain production processes. This affects production and efficiency in a certain way.*

[Bustamante] Nevertheless, many ask themselves: To what extent can this be sustained? This is the risk we currently run.

[Aguilera] *All these are difficulties that, although they are being solved and a very large crisis situation has not yet*

been created, have had localized effects in certain areas of the country where the necessary fuel has not arrived on time. [passage omitted]

[Bustamante] From 1988 to 1989, the consumption of fuel oil increased some 220,000 tons in everything related to fuel processes. Obviously, there has not been consistency in the energy policy.

[Aguilera] *We cannot say that it has been implemented in a satisfactory way. This is a result of objective conditions which have come up, and also subjective conditions.*

[Bustamante] One of the areas in which this can be seen is in the handling of cargo. For some workers this [the fuel problem] has become an excuse for inertia, negligence, and—why not say it—even indolence.

[Aguilera] *The mechanism that had been established to attempt to achieve it was much more complex and bureaucratic. Now it is a matter of how much it is going to be reduced, and if it is not reduced there will be a blackout.*

[Bustamante] For years we got used to having it and we wasted it. Now savings, efficiency, and demands cannot continue being slogan words; they must be a reality because circumstances demand it. [passage omitted]

[Aguilera] *You cannot achieve a greater efficiency in practice if you do not have a greater efficiency in the entire economic sector.*

[Bustamante] This is not yet seen as the most fundamental situation but it is the most immediate one. In any case, we have to understand clearly that fuel is indispensable to living and developing.

Dominica

Labor Party Reelects Michael Douglas Leader

FL0506182290 Bridgetown CANA in English 1728 GMT 5 Jun 90

[Text] Roseau, Dominica, June 5, CANA—Dominica Labour Party [DLP] leader Michael Douglas has been re-elected to head the party for another term. Douglas last week announced his resignation as party leader, in conformity with the party's constitution, following the May 28 general elections in which the DLP won only four of the 21 seats at stake.

However, a weekend meeting opted to retain the services of the veteran parliamentarian as party boss, with Pierre Charles of the Grand Bay constituency as his deputy, replacing Elford Henry who lost his seat in the elections. Douglas said the weekend meeting was adjourned to next week, when party officials will "put more meat.... around the skeleton.... ensuring that the party operates in its best interests and the interest of the Dominican people always."

The DLP leader has warned that his party will operate in Parliament as the minority opposition, siding with the official opposition United Workers Party [UWP] when necessary, and with the ruling party when it sees the need for this.

"We use our position as the minority party in Parliament to lever as it were, the necessary objectives that we feel are in the best interests of our country and our respective constituencies," Douglas said.

Douglas has also been giving reasons why he feels his Labour Party performed so badly in the general elections last week. He credits the UWP which won six seats, with having had a tremendous impact on the electorate.

"I think first and foremost we were outspent. The other parties had a lot more financial resources at their disposal, and they marketed their product better than we did.... They were able financially to do this," Douglas observed.

He also referred to "a level of organisation in the UWP which used an existing organisation that their leader was affiliated with," to project his own party's policies.

"And I think the government and ourselves for that matter, underestimated the capacity of the leader of the UWP to use that organisation for his political ends.... so that he was able to achieve a level of political organisation in a time-scale that was unusual.

"We all know that it takes a lot of time to build a political organisation on the ground, but clearly the UWP did not use that route....." Douglas said.

He did not mention the organisation he was referring to, but UWP leader Eddison James, a former top executive in the banana industry, is known to have headed the Banana Growers Association while his new party was being introduced in 1988.

Dominican Republic

JCE Confirms Joaquin Balaguer as President

FL1206174590 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1608 GMT 12 Jun 90

[Text] The Central Electoral Board [JCE] has reported on the total provisional count from the recent elections which includes the total of the votes that were observed and the void votes that were valid, which gave the Social Christian Reformist Party [PRSC] an advantage of 24,845 votes over the Dominican Liberation Party [PLD].

According to the report, the PRSC and its allies—which had Dr. Joaquin Balaguer as their candidate for president of the Republic—obtained 678,268 votes, while the PLD, which had Professor Juan Bosch as its presidential candidate, received 653,423 votes. The JCE has reported that these results include the recognition of cases of observed and void votes extracted from the voting

station documents submitted to the JCE by the municipal boards, including that of the National District.

PRD To Challenge Elections in Five Provinces

FL1206180090 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1604 GMT 12 Jun 90

[Text] Dr. Jose Francisco Pena Gomez, president of the Dominican Revolutionary Party, PRD, has reported that the PRD will proceed to challenge the recent elections in the National District and five provinces. Speaking at a news conference at the PRD main office, the political leader asserted that the challenges will be made under the allegation that the elections were held with some irregularities which prevented the people from freely expressing themselves.

Dr. Jose Francisco Pena Gomez, who was the PRD presidential candidate in the elections that were just held, stated that a commission headed by Dr. Antonio Rosario is working out the details for presenting the challenge. The elections that will be challenged are those in the National District; Azua, Baoruco, Samana, and Monte Cristi Provinces; and Oviedo Municipality.

Central Bank Reports Expenditures for May

FL1206181390 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1612 GMT 12 Jun 90

[Text] Last month the Central Bank paid out $98.6 million to purchase oil and pay the foreign debt. According to the statistical figures, $25.1 million of this amount was used to pay interest on the foreign debt, while $28.3 million was allocated for imports of oil and petroleum derivatives. Under another heading, the Central Bank carried out transactions during May for $1.7 million, while the revenue turned over by the executive branch from customs receipts totaled $105 million, the monetary institution has reported.

Haiti

Cabinet Reshuffle Hinted; Legagneur Interviewed

FL1206172990 Port-au-Prince LE NOUVELLISTE in French 11 Jun 90 No 33.829 pp 1, 16

[Text] A source close to the government told us last night that a change of ministerial cabinet is to take place at any moment now.

According to our source, this measure—still the subject of controversy within the government—is aimed at putting an end to the crisis that began between the executive and the State Council more than two weeks ago over the appointment of Mrs. Violene Legagneur as minister of economy and finance.

The minister in question, whom we asked about this possibility early this morning over the telephone, told us: "I myself, Legagneur, would be the loser." Because, she added: "I have been a career civil servant for the past 28 years. I could have chosen to simply tranquilly serve out my thirty years. One does not ask to be a minister. I accepted the position to do my country a service."

Mrs. Legagneur also told us she is not responsible for the circumstances under which she was appointed. "I do not know why they seemed to be in such a hurry to replace Minister Goutier, nor with what they reproach him," she said, adding that it was up to the president of the Republic to unblock the situation.

As for the fact that her name is on the list of founding members of the Jean-Claudist National Progressive Party, Mrs. Legagneur feels this reproach is "banal." "We were invited to a cocktail party. We did not even know what it was all about. You know how things were done back then.... I am not a political person. I do not frequent political circles, she explained. [no closing quotation marks as published]

Mrs. Legagneur also indicated she did not understand the public protest against her. "If they really want to go to elections, there must be, at the head of the Finance Ministry, someone who already knows how things work within the ministry and who can expedite ordinary business." "What is happening to me is truly unfortunate," concluded the contested minister.

OAS Report Notes Insecurity, Condemns Violence

FL0806160890 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 8 June 90

[Text] The OAS General Assembly that has been meeting in Asuncion, Paraguay for approximately one week now, last night approved a very detailed report from the Inter-American Human Rights Commission, CIDH, condemning violence in Haiti. In this report, the CIDH lists many cases of assassination, repression, kidnapping, and arbitrary arrests that have been occurring in Haiti for some two years now at the initiative of the military, armed civilians, or Tontons Macoutes.

This commission, which visited Haiti last 17-20 April, says violence has remained an institutionalized practice despite the installation last 13 March of the civilian government of Mrs. Ertha Pascal Trouillot, and that people fall victim to these acts (?because of) the complicity or neutrality of the police or the Army. This is explained in a 66-page document that the commission has submitted to the OAS.

The authors of the acts of violence are in many cases soldiers in uniform, or paramilitary groups well-armed with heavy-caliber weapons and who either don uniforms or wear civilian clothing, declares the commission. The commission asks Mrs. Trouillot's government to disarm civilian groups and former members of the Armed Forces.

Although the report notes that there has been a certain amount of progress in the human rights situation in Haiti, and that the authorities exhibit a behavior and attitude that are positive, the commission feels there is still a climate of insecurity in Haiti that often leads to a number of very serious acts' being committed. The report adds that currently, extreme violence by the military and by armed civilians continues to go unpunished, unsanctioned. The commission adds that isolated rural areas are defenseless against these groups of thugs which attack, in particular, members and officials of popular organizations.

The commission listed many cases of young peasants killed and their houses burned down, and described with precision dozens of murders, among them the case of [journalist] Ti Will, who was shot three times and killed in January 1990 after a commentary he broadcast over the radio in which he made fun of General Prosper Avril after Avril returned from his trip to Taiwan.

The commission also says it is impossible to take a real census of the population because of the ineffectiveness of the judiciary. The OAS is to send a delegation to Haiti for the coming elections.

We remind listeners that a report from Asuncion on 6 June said Haiti had asked the OAS General Assembly meeting in Asuncion for economic aid from the region's countries to strengthen democracy in Haiti. [Foreign] Minister Kesler Clermont, Haiti's representative at the important OAS meeting, said he thinks it is indispensable that a regional plan and mechanisms of solidarity be set in place to help Haiti in the efforts it is making to take the path of democracy. Also, Haiti thinks it is desirable there be a number of area initiatives to mobilize all resources to give Haiti massive support at the current juncture. We have no doubt that the Inter-American community will not be miserly with technical and material aid during this experience presently occurring in Haiti, said Clermont in the name of the Haitian Government.

Bazin Interview Provides Insight on Elections

FL1206134790 Port-au-Prince Radio Metropole in French 1600 GMT 11 Jun 90

[Text] Last week the Provisional Electoral Council [CEP] announced that general elections would be held next September. MIDH's [Movement for the Establishment of Democracy in Haiti] Marc Bazin has reacted positively to this announcement saying he thinks it is good news because, according to Bazin, the elections will permit Haiti to get out of the impasse of the transition and begin the democratic experience. This time Bazin is more confident that it will be possible to hold elections. There is more will on the part of the government and of the Army, the MIDH's leader said in an interview he granted [reporter] Rothschild.

[Begin Bazin recording, in Creole] I think it is elections that are going to give us security, not security that is going to give us elections. A hypothesis: The people creating the insecurity are doing so because they do not want change. Now, elections in essence mean change, because it is the Haitian people who are going to take the floor personally to say: Here is what I want, what I do not want, what the people want, and what the people do not want. Thus, it is a false problem, badly stated, when you say to me: Let us wait for them to provide security for us before going to elections.

With this said, as Sabalat said—and I think he is right—there has been a very clear commitment from the government, General Abraham, and the Haitian Army, to not have things go the way they did on 29 November [1987]. Of course, we remain vigilant. If we should for one reason or another reach the conclusion that what we want is not what is going to be done, we will of course stop for awhile along the way. However, I am personally not very worried. At present, based on what I know and what I see from the viewpoint of the willingness, the intentions displayed by the government and Army, I think we are going to create a situation that is a lot better than we had in the past, and also a lot better than we see happening in other countries.

For example, many people died in the Dominican Republic the other day. In Colombia, elections were held despite the fact that many people died. The same goes for Peru. You have countries like El Salvador, where 70,000 people have died. Nicaragua had a civil war. None of this prevented elections from being held. On the contrary, everyone understood that if you want to get out of a situation of political chaos, institutional disorder, and economic poverty there must be a government with popular legitimacy which is based on the exercise of national sovereignty by means of elections. All transitional solutions based on nothing other than arrangements have no chance of providing a solution to the nation's problems.[end recording]

Gerard Latortue Reportedly To Run for President

FL1206174190 Port-au-Prince LE NOUVELLISTE in French 11 Jun 90 No 33,829 p 1

[Text] According to reports circulating in political circles, Gerard Latortue—minister of foreign affairs, international cooperation, and worship under the Manigat-Celestin government—intends to run for president in the coming elections. We have learned from a reliable source that Latortue, who is currently in Haiti, himself announced this to prominent Gonaives figures during a tour that is also to take him to Cap-Haitien.

Activities in Leogane Protesting State Council

FL1206130590 Port-au-Prince Radio Metropole in French 1600 GMT 11 Jun 90

[Italicized passages are in Creole]

[Text] People in Leogane awakened this morning to find barricades flaming and anti-State Council slogans on

walls. The State Council is an institution born of the 4 March 1990 alternative. Here is Jean-Marie Ceme's report.

[Begin Ceme recording] *...(?many) flaming barricades were erected in different parts of Leogane and across National Highway No. 2 very early this morning, 11 June, sending up lots of black smoke and high flames. There were also many other tires, which failed to catch fire, at numerous other intersections. No one seems to be able to find out where these barricades came from.*

Also, there are a number of slogans hostile to the Council of State beginning to appear on a number of walls in Leogane. These slogans began appearing in several different parts of Leogane at the beginning of last weekend. We noticed some grafitti in front of the barricades today. There were slogans such as: "Down with the State Council," "Down with the council of crooked wheeler-dealers," "Long live Mrs. Ertha Trouillot," and "Long live Marc Bazin."

What is at the root of these waves of displeasure against the State Council? Well, the grafitti we saw did not provide an answer to this question. In any case, we are following events and will inform you of any further developments.

This is Jean-Marie Ceme in Leogane for Radio Metropole. [end recording]

Jamaica

Manley Government Unveils Five-Year Plan

FL0106174890 Bridgetown CANA in English 1610 GMT 1 Jun 90

[Report by Julie Chen]

[Text] Kingston, Jamaica, June 1, CANA—The Michael Manley government has unveiled its long awaited five year development plan describing it as a signpost for the future. The over 300 page document which was a year in the making, outlined the goals and plans the government hoped to achieve within the next five years and covered the main areas of the economy.

Acting Prime Minister P.J. Patterson who presented the document in Parliament said it was a "people's plan" prepared in consultation with the various sectoral interests. He stressed, however, that it was not a blueprint but a guide for the future.

The plan calls for an annual growth rate of three per cent over the next five years. However, Patterson said for this to happen tourism would have to grow by 10 per cent each year over the plan period while exports would have to grow by eight per cent a year. He noted that a three per cent growth rate was below the level necessary to make a dramatic breakthrough in the elimination of poverty but it was a realistic rate and achievable in light of the present constraints.

External relations over the next five years, he said, would be geared towards increasing trade and exploiting the advantages of the country's diverse international linkages. Maximum use would be made of the potential benefits under the Caribbean Community (Caricom) Agreement, the Lome Convention with the European Community, Washington's Caribbean Basin Initiative, and Caribcan, the free trade agreement between Canada and the Caribbean.

In the area of science and technology, special attention will be paid to invention and innovation, and forecasting science and technology activites. Under the plan the target to be achieved in the bauxite and alumina sector by 1994 will be between 12 and 13 million tonnes. Increased emphasis will also be placed on new investments in the mining of limestone, marble, gypsum, clays, and other non-bauxite mining.

The tourism sector is expected to earn U.S. 974 [as received] by 1994/95 and emphasis will be placed on marketing in Europe, Japan, and the North American markets. New airlinks will also be encouraged. "Cultural tourism" will also be encouraged to preserve the island's national heritage and environment.

In the social sector, the national day care programme is to be expanded and increased financial assistance provided to government supported centers. The plan is expected to cost roughly J [Jamaican] 17 billion dollars (one J dollar = 14.2 U.S. cents) in capital expenditure over the five year period. Fifty-eight per cent of this total will be financed by local sources and the remaining forty-two percent from external sources.

Earlier Patterson noted that the national productivity had fallen by 25 per cent from J 3,225 per worker in 1975 to J 2,436 in 1989. Productivity in the manufacturing sector had also fallen by 52.7 per cent, he said. Patterson noted that the fall in productivity has persisted though at a declining rate over the past few years. To address the problem, he announced the reactivation of the productivity center attached to Jamaica Promotions (Jampro) the national agency to encourage investments.

Nontheless, preliminary data indicated that manufacturing production last year increased by seven per cent over 1988. Total manufactured exports declined by 6.9 per cent to U.S. 317 million dollars compared with 1988. This was due largely to a 24.1 percent fall in traditonal manufactured exports, Patterson said. Non-traditional exports which accounted for 72 per cent of total manufactured exports in 1988 increased by two per cent over 1988 to U.S. 229.1 million dollars. Apparel exports totalled U.S. 245.9 million dollars with exports to Europe totalling U.S. 16.6 million dollars. Non-traditional exports to the Caricom market increased by 9.4 per cent to U.S. 64.8 million which indicated a strong revival of regional trade.

Seaga Reelected Leader of Opposition Labor Party

FL1106172090 Bridgetown CANA in English 1557 GMT 11 Jun 90

[Text] Kingston, Jamaica, June 11, CANA—Leader of the opposition Jamaica Labour Party [JLP] Edward Seaga Sunday [10 June] told a dissident group of five within the party that they should "take a candle, sing a sankey (spiritual song), and find your way back home." The gang of five—Pearnel Charles, Douglas Vaz, Karl Samuda, Edmund Bartlett, and Errol Anderson—were said to be part of a plot to oust Seaga as party leader. They have also been accused of leaking information about party business to the local press.

Seaga, who was re-elected unopposed as party leader Saturday [9 June], was commenting publicly on the issue for the first time as he addressed the public session of the 47th annual conference of the party at the National Arena in Kingston. He told the five who were seated on the platform that the "door is still open to retrieve your positions." The five, who have denied the allegations, have been upset by Seaga's refusal to meet with them to discuss and try to resolve the problem.

While Seaga was speaking, senior party leaders including Hugh Shearer, general secretary Ryan Peralto, and party chairman Bruce Golding, met with the five several times back stage in an apparent attempt to effect a public gesture at reconcilation. These attempts seemed to have failed, however, as none of the five made any move to address the session.

Party chairman Golding, speaking to reporters after the conference, said "gestures of reconciliation" had been made but nothing concrete had been achieved. He added that the rift was no longer an issue within the party, observing that whatever happened in future would depend on how the five responded to the party's stand on the issue.

Sunday's public session was seen by some observers here as perhaps the last chance to heal the rift which has dogged the party since March. Seaga said he had no personal ill-feeling towards any of the five, all of whom are major spokesmen for the party in Parliament.

"I brought all of them into politics and gave them their first chance to run for office," he told cheering party supporters.

Referring to the leaks to the press, Seaga said while the JLP had no desire to lose any of its frontline members, party discipline must be maintained. The JLP, he asserted, could not tolerate the betrayal of trust placed in senior members of the party.

"We cannot allow some members to pull themselves up by pulling the party down," he declared.

Seaga also said he would remain as party leader until the JLP tells him that it has someone else. But he noted that when that time comes "I expect that whoever is to be the leader of the future is not going to be someone to be decided by a (Professor Carl) Stone poll or the winner of a popularity contest, but determined on the basis of how they can run things."

St. Vincent and the Grenadines

Alleged Drug-Involvement Investigation Reported

FL1206230890 Bridgetown CANA in English 2204 GMT 12 Jun 90

[Text] Kingstown, St Vincent, June 12, CANA—Police Commissioner Randolph Toussaint said Tuesday [12 June] that internal investigations are taking place into allegations that a senior member of the St Vincent and the Grenadines police force was on the payroll of drug dealers.

Toussaint, who is on record as saying that he would deal firmly with any policeman involved in drugs, did not disclose either the name or the rank of the officer involved, but promised to make a public statement when the investigations are complete. The officer has been suspended from duty while the investigations are taking place.

Reports circulating here indicate that the officer under investigation had been accepting bribes from drug dealers and in return ensured that when their cases came before the courts, the evidence was so conflicting that it created doubt in the mind of the magistrate.

There has been no confirmation so far on the amount the officer is alleged to have received in bribes, but information leaked from within the police force has indicated that it could be as much as EC 40,000 dollars (one EC dollar; 37 cents U.S.).

Trinidad and Tobago

Senate Passes New Foreign Investment Bill

FL3005223590 Bridgetown CANA in English 2110 GMT 30 May 90

[Report by Debra Ransome]

[Text] Port of Spain, Trinidad, May 30, CANA—If the ministers, academics and businessmen have anything to do with it, Trinidad and Tobago can now be expected to conduct a "hard-sell" to international investors following passage of its new foreign investment bill. The bill passed its biggest hurdle Tuesday [29 May] night with a unaninimous vote for the drastically amended legislation.

But before the experts can analyse exactly what the detailed changes will mean in terms of how much land and businesses a foreign investor can purchase without a licence, all agree that passage of the bill was the key step. And the next move, according to Industry Minister Dr.

Bhoe Tewarie, is to promote what Trinidad and Tobago now has available to invest in.

Before the legislation, Trinidad and Tobago's Government had introduced a foreign investment policy in its first year in office, 1987, promising to open up the previously protected oil-rich economy. The proposed draft legislation was put out for comment and criticised as the national debate often focused more on whether the country needed foreign investment, whether it could attract such investment, and what form this should be allowed to take. The current bill faced more than 20 pages of amendments from independent and even government senators before it could finally pass a two-sitting committee stage which followed an even lengthier debate.

The original Caricom [Caribbean Common Market] and foreign investment bill was laid in the Senate on February 6. The final amended foreign investment bill now goes to the lower house where the government's majority ensures its easy passage. The government has not waited to move into the investment promotion stage to sell a "new-look" Trinidad and Tobago smilingly welcoming foreign investors who previously labelled the twin island republic for its bureaucratic hostility to foreign investment.

With a one-stop investment shop promising quick processing of industrial development applications and bringing all the bureaucracy under one roof and incentive offers, the bill forms the final part of the framework aimed at welcoming the foreign dollars. Tewarie says that government has already taken out promotion in the form of a three-paged supplement in the WALL STREET JOURNAL. The next plan is more promotional material in New York and other American papers.

Also on the slate is a mission to the Far East seeking to woo investors who have expressed interest during past trips but never stepped beyond the bureaucratic line except to look. Also in place is the export processing zone (EPZ) which got its first tenant, an American optics firm, Rosin Optical International Corporation, in March.

"What the bill does is give the right signals to foreign investors who may have an interest in Trinidad and Tobago," Tewarie said Wednesday.

"We are going to follow up the passage of the bill with investment missions to places that we have targeted as potential investment centres which will bring people to Trinidad and Tobago," the minister explained.

According to Tewarie, the queries were already coming in as Trinidad and Tobago began to dismantle its former investment stance. The minister cites queries into possible joint ventures as well as the number of major companies here seeking foreign partnerships. The new-look bill eliminates licences completely for small land purchases for residential and commercial purposes, although it maintains the government's right to step into such transactions and also maintains a licence and official permission for large scale foreign investment.

President Salinas Comments on Visit to U.S.

PA1306024790 Mexico City NOTIMEX in Spanish 2356 GMT 12 Jun 90

[Text] Tuxtla Gutierrez, Mexico, 12 Jun (NOTIMEX)—President Carlos Salinas de Gortari announced here today "unprecedented" support for the Indian areas in Chiapas. The funds for the support total 120 billion pesos, 35 billion of which will be allocated to the highlands, 60 billion to the jungle, and 25 billion to the lowlands.

During a meeting with the Indian State Council [Consejo Estatal Indigena] following his arrival in this city from Washington, the president announced that the Pronasol [National Solidarity Program] will allocate 18.6 billion pesos to the Solidarity Fund for Production [Fondo de Solidaridad para la Produccion] and 13 billion pesos to the treasuries of Indian municipalities to strengthen them.

Salinas said that during his trip to the United States, he reasserted that "respect and equanimity are necessary" for relations between the two countries to be fruitful.

"The goal of my trip was to bolster our sovereignty and to open new opportunities for Mexico in other countries of the world," Salinas added.

He said that in the United States he was able to confirm the respect our nation commands because of its clear-cut position on foreign policy matters and the seriousness with which we meet our commitments.

The president stressed that our country faces "grave dangers" in the struggle against drug smuggling, but this struggle can only be waged within the framework of the laws and respect for national sovereignties.

While addressing the Indian State Council, President Salinas said that "Mexico demands from other countries respect for its sovereignty and fair and equitable treatment."

The president also noted that it is not possible to solve all problems immediately but that the government is trying to meet the most pressing needs of the population, particularly the Indian population.

He announced that 29 Indian communities will have potable water systems and that studies will be made to supply this service to 78 other communities as soon as possible.

He also congratulated the peasants of Chiapas for their compliance with the program "Credit on Your Word" and announced that funds allocated for this program in Chiapas will be augmented by 20 billion pesos.

Finally, President Salinas praised the ethnic groups in Chiapas for their concern over protecting the environment and asked them to become better organized because "nobody can disunite you if you are organized" and results from government programs will be better.

PRD Deputies Deny Conflicts Within Party

PA1206224590 Mexico City UNOMASUNO in Spanish 4 Jun 90 pp 1, 5

[Report by Jorge Octavio Ochoa]

[Text] Deputy Pablo Gomez said yesterday that there is a lot of "fantasy and imagination" in press reports about the conflict within the PRD [Party of the Democratic Revolution]. Gomez said that although the National Executive Committee has not summoned him for explanations, he is willing to answer any questions.

Meanwhile, PRD Deputy Jesus Ortega said he hopes the PRD parliamentary faction acts wisely and accepts the decisions made known on 30 June, when the results of the consultation—referendum—to elect or ratify the party coordinator are released.

Interviewed by UNOMASUNO, the two legislators agreed to urge PRD coordinator Ignacio Castillo Mena to hold a direct dialogue because some matters should not be settled through the media and even less by answering "specific insults."

Pablo Gomez believes that in his recent statements to the press the former PRI [Institutional Revolutionary Party] member was confused, "perhaps due to his inexperience." Gomez added that Castillo Mena, who called Deputy Pablo Gomez a "run-down politician," makes this kind of statement "quite often."

However, Gomez said, there is nothing personal between the two deputies, nor are they fighting for political reasons. Therefore, "I will not discuss this matter in the media," he added.

Gomez blamed the media for distorting and "making up" incidents although they do not have sufficient evidence. He denied there is division within the PRD or its parliamentary ranks, even though it is ruled by two or more ideological trends.

We are working with unity, he said. We are now discussing the organizational methods that will permit us "to improve the group's actions."

Gomez reiterated his opinion that the PRD faction at the Chamber of Deputies "is working with some deficiencies and is not well organized."

Regarding Pablo Pascoe Pierce's comments that these disagreements are "untimely" for the PRD, Pablo Gomez said: "I do not know whether or not this is timely, but I did not start it. Some party deputies have expressed their concerns, and we cannot restrict their liberty."

Gomez stressed that these kinds of internal disagreements are natural. However, public opinion does not know how a truly democratic party can operate. "There is no division. There is not even a discussion over the political stance or the leadership. All we are discussing is management methods. This is not a catastrophe, as some

want to see it. We are simply concerned because we want the party to function better."

Jesus Ortega said he agrees with Gomez that political organizations in Mexico are not accustomed to discussing points of disagreement. This is why a sound or strong discussion is seen as a sign of a division or a split. The media have had a great influence on this, Ortega added.

For example, Ortega said that there are political disagreements in the PRI daily. However, they solve them through "kicks under the table" to give the impression that nothing is happening. "An example is the recent conflict between PRI President Luis Donaldo Colosio and Fidel Velasquez, secretary general of the Confederation of Mexican Workers."

Therefore, Ortega said, we have to change that kind of attitude. Each party has not only the right, but also the duty, to discuss political disagreements. This is the attitude that should prevail in these new times.

Regarding the conflict in his party, Jesus Ortega deplored the fact that deputies are not always wise enough to face such disagreements. However, he abstained from commenting on the attitude adopted by Castillo Mena last week. There are people—mainly outside the PRD—who are interested in exaggerating and changing the meaning of this debate to turn it into an insurmountable issue.

Finally, Ortega praised PRD leader Cuauhtemoc Cardenas' attitude regarding this problem, because he has respected the PRD deputies' right to dissent. "It is a very smart attitude," Ortega said, "because in this country we were used to having the political chief solve all matters. Nothing is done without the consent of the master."

This is the case of the PRI, where many of the party's internal matters have to be solved by the president of the Republic himself, which is autocratic. "The PRD would be making a mistake if it resorts to centralism so that someone tells us what to do."

'Impunity', 'Corruption' of Officials Condemned

PA1306044990 Mexico City UNOMASUNO in Spanish 6 Jun 90 p 2

[Article by Augusto C. Amaya: "Repression and Cynicism"]

[Text] A new sport is being played in the United States: the hunting of Mexicans. In El Salvador, Mexican journalist Maria Eugenia Ochoa Garcia was illegally arrested, and two years ago Mexican citizen Dr. Alejandra Bravo Betancourt, who was providing generous humanitarian help, was brutally murdered with impunity. Meanwhile, Mexico is experiencing a honeymoon with the United States, and the kidnapping of Dr. Alvarez Machain has been relegated to second place. Mexico also maintains good relations with the Salvadoran Government and President Cristiani was declared a guest of honor, forgetting his government's repression, the systematic violation of human rights, and the obstacles placed before the investigation of and punishment of those responsible for the assassination of Rector Ellacuria and other Jesuits of the Central America University in San Salvador.

Following the U.S. and Salvadoran example, people are also assassinated with impunity here in Mexico. That is the case in Culiacan, Sinaloa State, where Dr. Norma Corona Sapien was murdered. All evidence points to the judicial police.

Dr. Corona Sapien struggled for human rights. She basically worked against the violent and unjustified actions of the federal and state judicial police.

What hope of being successful in our environment do Mrs. Rosario Ibarra, Teresa Jardi, and other social fighters who have devoted their lives to obtaining the return of the disappeared prisoners, have? What real possibilities do they have of getting them back alive? Their slogan of "alive they took them, alive we want them back" continues to resound in the ears of military men and judicial policemen. They have been struggling for 15 years, but although they have achieved a little, many disappeared people have yet to return, and the practice of illegal arrests, torture, and impunity on the part of the military and judicial police has not been eradicated.

In the very recent case of Dr. Corona Sapien, how is it possible that Sinaloa Governor Labastida has not reproached the Attorney General's Office, especially when she was a member of his own political party? The Sinaloa governor would do well to remember how Cuauhtemoc Cardenas acted when he was governor of Michoacan.

The judicial police cannot act with impunity, arresting people without warrants issued by a judge. For the judicial police, all Mexicans are drug traffickers, especially if they come from Sinaloa. This is an aberration in the conduct of the forces which should investigate and maintain peace in the country, but whose members benefit the most from drug trafficking. One cannot circumvent and scorn the constitution and the laws. A governor should be the first to defend the people of his state. He was a poor player within the PRI [Institutional Revolutionary Party], and from there stems his weakness as a governor. However, this does not mean he should not act with dignity to stop the corruption and impunity of the judicial police. A man should keep his dignity intact, especially when the governor can defend himself by stating he is the product of the people's vote, which, although rigged, was approved by the local Chamber of Deputies which endorsed his election.

A climate of social unrest is being created because of the attitude of local leaders who give in to the intense centralism of the PRI government. Federal officials such as those from customs, the judicial police, health, commerce, tourism, and so many other federal institutions

do and undo things at their whim, destroying the rule of law. It seems it is utopian to want the authorities to respect the law. We are at the threshold of the 21st Century and a state of law is still not a reality in our country.

The editor of the Los Angeles newspaper, LA OPINION, was right when he said that "impunity is as serious as violations. Official invetigations are generally superficial and the way they are followed up is ridiculous. The crime is soon forgotten by everyone but the victim's relatives (such as those of Dr. Norma Corona Sapien). A country already cynical about how far justice reaches becomes even more cynical." Let us hope that the people's anger will bring about a change in this sad situation as soon as possible.

* Camacho's Political Modus Operandi Discussed

90CA0048A Mexico City PROCESO in Spanish
16 Apr 90 No 702 pp 14-17

[Article by Raul Monge]

[Text] Now that the Department of the Federal District [DDF] has mediated the union dispute of the Modelo Brewery workers, there are no doubts about the starring role that Manuel Camacho Solis is playing in the current administration.

He is serving as an intermediary in matters that outstrip the response capacity of the areas to which they pertain and/or that threaten to overflow legal channels or to shatter the social order. In such cases the mayor of the capital city has already shown obvious signs of being preeminent. His intervention in the conflicts of musicians, teachers, and the Modelo Brewery has been a sign of the wide-ranging powers that he has been given to intercede in matters that are the concern of other public agencies, including the Interior Secretariat.

Moreover, the way has been paved for him to change the city's lifestyle, to give it a new face, and to make it self-sufficient at all costs, but most importantly, to support the Institutional Revolutionary Party so that it can regain the importance that the opposition took from it in 1988.

In performing this latter task, since the start of his administration Camacho Solis has pursued a quiet political strategy that has apparently worked well for him. His weapons have so far been: consensus-building, negotiation, compromise, and dialogue, but toughness as well.

Victor Morales, from the Casa y Ciudad urban advisory center, charges: "Camacho Solis has pursued a selective, systematic, and repressive policy. He has divided, discriminated against, or favored social organizations for the purpose of demobilizing them. And little by little he has succeeded. Moreover, he is the president's tool for negotiating with all segments of society. He's like a vice president in disguise."

Aided by Dr Alejandra Moreno Toscano, the secretary of social development, who is regarded as the mayor's right-hand woman, and by Manuel Aguilera Gomez, the secretary general for internal affairs, who has turned out to be a skillful negotiator, the chief of the DDF executed this maneuver: For the implicit purpose of undercutting criticism of his administration he created special forums, disguised as councils, in which all those who in one way or another are opinionmakers or belong to academic or professional groups could voice their dissatisfaction, their dissent, and their proposals.

Thus, for example, a large group of intellectuals, artists, university researchers, urban leaders, and members of political parties were brought into the Social Development Council, which Moreno Toscano coordinates.

Prominent among them are: Rolando Cordera, Carlos Monsivais, Juan Jose Hinojosa, Jose Luis Ordonez, Elena Poniatowska, Leno Garcia Soler, Ricardo Rocha Reynaga, Evaristo Perez Arreola, Jose Zarur, Enrique Gonzalez Torres, Hector Suarez, Cristina Pacheco, Susana Alexander, Teresa Rojas Rabiela, Cuauhtemoc Abarca, German Parra Prado, Enrique Beltran, Miguel Angel Armas, Antonio Azuela, Felipe Cazals, Lourdes Arizpe, Ivan Garcia Solis, Angel Mercado, Manuel Perlo, Ivan Restrepo, and Maria Esther Zuno de Echeverria.

Well-known figures from the private sector and national banking sector managers were brought into another group, which is called the Investment Promotion Council, which Manuel Uribe Castaneda coordinated until recently. Prominent among them are: Emilio Azcarraga Milmo (president of Televisa [not further expanded]), Gaston Azcarraga Tamayo (chairman of the Council for Mexican Hotel Promotion), Miguel Aleman Velasco (special-affairs ambassador), Gilberto Borja (president of the ICA [Associated Construction Engineers] Group), Jose Carral (president of the Carral Rubio del Cueto office), Pablo Escandon (president and director of National Drugs), Agustin Legorreta (president of the Inverlat [not further expanded] Corporative Association), Lorenzo Sertvije (president of Bimbo), and Claudio X. Gonzalez (director of Kimberly Clark of Mexico and adviser to President Salinas de Gortari). The managers of 11 national credit institutions represent the banking sector.

The same thing was done in the areas of health care and public emergencies. He brought together a select group of medical professionals: Fernando Ortiz Monasterio, a professor of plastic and reconstructive surgery in the Superior Studies Division of the UNAM [National Autonomous University of Mexico] Medical School; Luis Torregrosa, the director of the Infants Hospital of Mexico; Federico Chavez Peon, the head of the Transplant Department of the Nutrition Institute; Jaime Sepulveda Amor, the director of epidemiology at the Health Secretariat, and Octavio Rivero Serrano, the former rector of UNAM and currently a professor in the School of Medicine.

In the opinion of Hector Ramirez Cuellar, the coordinator of the Popular Socialist Party [PPS] group in the Federal District Assembly of Representatives, the effort to set up deliberative and advisory councils and agencies had two goals: first, to break up public-opinion groups that were against the federal and municipal governments and, at the same time, to legitimize their members, and second, to have them available as unpaid advisers or agents.

He says that the disappearance of the National Democratic Front, which carried Cuauhtemoc Cardenas to victory in the DF [Federal District] and other states at the last election, "is due to the policy of consensus-building that Camacho Solis has pursued."

True or not, these councils have apparently completed their life cycle. The Social Development Council, which on paper was formed "to enrich the programs of the DDF," has not met since at least last November. At the most it held three sessions, at which views in opposition to the government predominated.

The writer Carlos Monsivais, for example, attacked the mayor for having opened the doors of the DDF to a policeman like Miguel Nassar Haro.

"The council has not met again. I don't know why," replied Ivan Garcia, Cristina Pacheco, and Carlos Monsivais. Monsivais also remarked that "whatever the council was, it isn't any more."

As recently as a year ago Camacho Solis said at a meeting in the Villa Magna restaurant that "the council is alive and coming up with answers." He then explained why he invited Garcia Solis and Monsivais: "...we knew that Ivan was going to say the things about us that he's said today. When we invited Monsivais, we knew beforehand what his positions were...."

He went on to say that "this council was put together with incorruptible people, people with very well-defined political positions, people who have experience in life and in the activities that they pursue. This is why I'm convinced that there is a political accord that allows us to sit down together at this table, and that accord can be none other than respect for our differences...."

Even though he took part in all of the meetings and even submitted an urban-renewal project for the capital's barrios that was widely disseminated, Garcia Solis now says that the mayor wanted to use the councils for political and manipulative purposes. "I don't doubt that some council members went along with him."

Not much is known either at this point about the Investment Council. After the departure of Uribe Castaneda the council has been leaderless. Interest in investing in social-benefit projects such as building Metro [subway] lines, urban transport, and public services has also apparently cooled off. In contrast, businessmen have their eyes on the most lucrative undertakings. Proof of this was Camacho Solis' announcement to President Salinas de Gortari that more than 6 trillion pesos would be invested in the capital of the Republic, primarily to build five-star hotels and major shopping centers and for urban renewal around sites where commercial development is a sure thing.

Realizing that his plan for the city has a future only if there is minor dissent, the chief of the Department of the Federal District has not skimped on time, tactics, or funds in trying to reverse the political situation in the capital, where Salinas lost in the 40 districts as a candidate.

With his main collaborators, among them Marcelo Ebrard, the PRI secretary general in the DF, he has pursued silent efforts on all fronts: buying people off, uneven treatment for political organizations and groups of colonia [urban community] residents, control of neighborhood boards, repression and jail for dissidents, and political patronage.

Here are some examples of the first. Cuauhtemoc Abarca, a charter member of the United Coordinating Board for Disaster Victims [CUD], who after the earthquake became one of the leaders of the victims, ran unsuccessfully for a federal deputy's seat under the banner of the PRT [Revolutionary Workers Party]. Manuel Aguilera took him under his wing at the start of the administration, and since then he has been cooperating with the DDF. Julio Zamora Batiz, the director of the municipal government's Housing Fund, even behaved generously towards the leader, handing over to him close to 300 dwellings in Cabeza de Juarez, Ecatepec, "100 Metros," and Iztapalapa. He is currently a member of the Social Development Council and heads the coordinating board of Tlatelolco residents, which has 30 to 50 members.

Miguel Angel Armas, a former member of the Revolutionary Patriotic Party, former guerrilla, president of the Morelos Center Popular Union, and a charter member of the CUD, could not withstand the DDF's onslaught either. He sits on the Social Development Council, where he helps Indians and handicraftsmen.

CUD members have branded him an opportunist because of his close ties with the Mexico City government and the Catholic Church.

Father Jorge Gonzalez Torres, the director of the Community Support Foundation, was the liaison with the DDF. Thanks to both of them, the organization that he represents has been the recipient of housing units. The condition on which they were turned over was that he abandon the CUD.

Alma Romo, Gabriel Rosas, and Ernesto Jimenez (the latter two are leaders of the Dawn of the Barrio and the Valle Gomez groups) marched with their organizations to La Villa on 19 September instead of joining the demonstration that earthquake victims traditionally stage in the Zocalo.

Silvia Campos, a leader of the Independent Housing Movement who once asked to join the CUD, is now the official supporter of Manuel Aguilera Gomez. Her group stands out because she always attends DDF events with a group of women dressed in white.

Among environmental groups, for example, Gabriel Quadri is among the midlevel managers in the area of urban renewal and environmental protection. Until the past 6-year presidential term he was the leader of a Coyoacan environmental group that was marked by its critical stance.

Antar Lopez, who until a few years ago was a protest singer along with artists like Guadalupe Pineda and Eugenia Leon, etc., now works out of an office in Socicultur, where he serves as a liaison between the municipal government and artists for democracy.

Angel Mercado, Antonio Azuela, who are professors at UAM [Metropolitan Autonomous University], and Manuel Perlo, a teacher at UNAM, are regarded by CUD members as unofficial players on Camacho Solis' informal team. They are involved in the city government's programs as consultants or advisers.

Camacho Solis' hand can also be seen in the Mexico City Assembly of Representatives, sometimes directly and other times through PRI leader Fernando Ortiz Arana or DDF officials. Assembly members who asked to remain anonymous emphasize that not only does he interfere with the work of the various committees, but his office has drafted several regulations, such as for water use, commerce along public thoroughfares, and security, which is up for debate soon.

In the specific case of the Security Committee, which Ramon Sosamontes Herreramoro coordinates, his instructions were that security regulations be drafted, not a law, as the assembly's full session had originally resolved.

He also sought, unsuccessfully, to intervene in the internal affairs of the PRD [Party of the Democratic Revolution]. He tried at all costs to prevent Rocio Huerta from replacing Ramon Sosamontes as coordinator of the group. In the final accounting the only thing that he accomplished was to cause a rift within the PRD.

As for uneven treatment of political organizations, Hector Ramirez Cuellar cites as an example how the Party of the Cardenist Front for National Reconstruction has been treated. "It's awarded housing loans, and it does what's necessary to bolster its presence in the DF."

The heads of DF administrative districts, for example, have instructions to give priority to the demands of the three-colored banner, and the tolerance of the street vending trade is proof of this. The city's downtown streets are still filled with stalls.

Alejandro Vargas, a leader of the 19 September Union of Residents and Earthquake Victims, says that this shows that DDF authorities take different approaches to the same problem. "Elsewhere in the city the organizations of independent street vendors or vendors belonging to opposition parties are repressed, while downtown, Guillermina Rico's, Alejandra Barrios', and Benita Chavarria's people are tolerated and stroked." And, she charges: "It's on specific problems like this that Camacho Solis calls the shots."

In other DF administrative districts, where the political situation is unfavorable, the DDF employs another tactic, as in the case of Iztapalapa. Varas says: Since major projects cannot be built, administrative-district head Marco Antonio Michel is trying to win over the residents of Iztapalapa with easy answers that do not entail much investment but are effective as voter-getters, such as regularizing land tenure and minor projects: street-paving, repairing potholes, sidewalks, and plastering up walls. He builds dairy stores and gives away tortilla coupons. "This has taken strength away from Conamup [National Coordinating Board of the Popular Urban Movement] there."

He also reopened the Blanquita Theater and the Mexico bull ring and is remodeling Garibaldi Square. He is in the midst of solving the problem of the Mexico jai-alai court.

The Federal District PRI is also at work. Ebrard Casaubon, a trusted colleague of the mayor, is trying to rebuild PRI with long-standing patronage practices. He heads demonstrations by members of his party, acts as a middleman, and tries to buy people off.

Here are some examples. Gonzalo Rojas, a member of the PRD in the DF and a leader of residents of colonia San Felipe de Jesus, was invited to join PRI by an envoy of Ebrard's. The argument was that PRI was overhauling itself, that it was different now, and that it needed new leaders.

Armando Yepez, the president of the same colonia, was unable to refuse the offer. Although he belonged to no party before the offer was made, he is now officially a member of PRI. And this has the locals upset. They wanted to remove him from office.

PRI also tried to buy Rene Arce, who was indicted a few days ago for defrauding the Aeromexico union. A day before he was apprehended he met with Ebrard Casaubon, who invited him to cooperate with his party.

Camacho Solis has also given signs that he knows how to use force. During President Salinas de Gortari's most recent government report the chief of the DDF made use of the army to prevent any incidents. He has also resorted to the violent eviction of strikers. Workers at the Modelo Brewery were threatened by the Federal District riot police and removed to the outskirts of the city.

In addition, Martin Guzman Antolino, the leader of one of the groups of blind street vendors, was jailed on extortion charges. After 62 days behind bars, Judge

Esperanza Rico Macias ordered him released, on Wednesday the 11th, for lack of evidence.

"This shows how people who get in the city government's way are treated," says Assemblywoman Graciela Rojas.

Oscar Cabrera, a leader of the Nueva Tenochtitlan Popular Union (southern zone), sums things up: What Camacho Solis is up to is obvious. His main goal is not so much to build a consensus as to rebuild PRI and, in so doing, to coopt leaders and organizations. Thanks to this policy he has managed to calm the social unrest that existed when he took over the DF. His populist actions have scored another point for him: recognition by some who used to criticize him.

This could explain the optimism that he expressed on a recent trip to the United States, where in interviews with American journalists he said that if elections were held in the country right now, President Salinas would win.

Camacho Solis also makes time to attend to matters that are not his responsibility. First he mediated in the musicians' dispute, later in the teachers' conflict, and now in the Modelo Brewery dispute. He feels that he is justified, however. He said so on Wednesday the 4th at the close of a speech at the Business University Congress that Anahuac University had organized in the Nikko Hotel: "We have enough work; we would like to devote ourselves to other matters, but I don't think that we can hide from the realities of such a complex city."

"In conclusion, this is a government that seeks to reconcile interests, that seeks to fully guarantee freedoms, to find consensus solutions, and I think that this role is useful, as long as we are respectful of the other public areas, such as in this case that of the Labor Secretariat, of which we were strictly respectful, because the labor responsibility obviously belonged to the labor secretary and will continue to."

Hector Ramirez Cuellar, a former federal deputy and the current leader of the PPS group in the DF Assembly of Representatives, asserts that this attitude shows that Camacho Solis represents the political face of the Salinas administration.

Camacho is among the cabinet ministers who have given the most interviews to the world press. He recently met with the newsmen who cover the presidency, and his statements on postelection events in Guerrero and Michoacan were widely reported.

Correction to Paper Commissions Poll on Ties

WA1306133190

The following correction pertains to the item headlined "Paper Commissions Poll on Church-State Ties," published in the 5 June Latin America DAILY REPORT, page 12: Column two, paragraph six, sourceline, make read: ...Mexico City EXCELSIOR in Spanish 6 May 90 pp 1-A, 10-A, 11-A... (correcting date)

El Salvador

FMLN Says 'Demilitarization' Essential Factor

PA1306021890 Panama City ACAN in Spanish 2310 GMT 12 Jun 90

[Text] San Salvador, 12 Jun (ACAN-EFE)—The Salvadoran guerrillas warned today that the demilitarization of El Salvador "is an essential factor for attaining peace" in this country. This was stated in a communique in which the rebels lashed out at the Armed Forces.

According to the document released today in San Salvador, this is why the Armed Forces hold first place on the agenda for the upcoming round of talks with the government. The date and place for this round of talks have not been disclosed.

The document adds that the negotiation process between the Farabundo Marti National Liberation Front [FMLN] and Alfredo Cristiani's government "is entering its decisive phase," during which they will discuss the "causes that unleashed the armed conflict" more than a decade ago.

The communique, attributed to the FMLN Central Front, includes, among the topics related to the Armed Forces and which are subject to negotiation, its subjection to civilian power, the enforcement of justice on those soldiers involved in crimes, the end to the aid received from the United States, and the purge, reduction, and reorganization of the Army.

The document adds that corruption "abounds" within the Armed Forces. The FMLN accuses the Armed Forces of "systematically" violating human rights and of representing an "economic albatross" for the Salvadoran people because "half the budget is spent on maintaining a machine of death and destruction."

The FMLN also states that the U.S. Government and Congress must put an end to their "moral two-facedness, because while they talk of democratization for Eastern Europe, they continue to support a military dictatorship in El Salvador."

"The U.S. Government and Congress are morally and politically responsible for the thousands of crimes committed by the Salvadoran Armed Forces," the FMLN underscores in its communique.

Colonel Ponce on Armed Conflict, Jesuits' Case

PA1306042090 San Salvador TCS Television in Spanish 1215 GMT 7 Jun 90

[Italicized passages are recorded]

[Text] Colonel Rene Emilio Ponce has stated that life in the country now has more of a political rather than a military nature. The high-ranking military commander said that the situation of war prevailing in the nation this year has taken a turn toward the political rather than the military, because the parties in conflict now talk about negotiable solutions. This, he said, is a change from the military position favored for the attainment of peace, so he ruled out the possibility of a rebel offensive.

[Ponce] *The actions that took place during November and December 1989 were more than enough to ascertain the Armed Forces' professionalism and capabilities. We have been involved in a political rather than a military war during the last six months.*

The chairman of the Armed Forces Joint Chiefs of Staff minimized the fact that the rebel groups have turned over their prisoners of war. The rebels said these actions proved their goodwill within the search for a solution to the armed conflict. In this regard, Col. Ponce added that this is normal, because the Army has also granted amnesty on previous occasions.

[Ponce] *This is not the first time that it has happened. We have also allowed the departure of many wounded FMLN fighters throughout the last five years. They have been taken out of the country by the International Red Cross Committee. Therefore, this is also part of the humanization of the conflict.*

It has been recently said that the investigation of the Jesuits' case has reached a stalemate because it was discovered that the Military Academy logbooks corresponding to the day of the crime had been burned. Nevertheless, the chairman of the Joint Chiefs of Staff denied such statements, noting that the Armed Forces have always been willing to carry out the investigation as far as necessary.

[Ponce] *The Supreme Court of Justice and the Fourth Penal Court are making great efforts to solve this case, and the Armed Forces have been cooperating. I do not know who is saying that this investigation has reached a stalemate. The Armed Forces have cooperated when requested. Therefore, this is only a matter of personal opinion.*

[Reporter] *Does it mean that the burning of the logbooks will not hamper the investigation process in any way?*

[Ponce] *I think that the judge will determine this. He has the authority to summon anyone he wishes to testify, and I think he will do so.*

Also, Col. Ponce rejected the latest rumors about his possible retirement because of health problems, saying that this is groundless speculation. These statements were given by the military commander after attending the change of command ceremony of the Atlacatl Rapid Deployment Infantry Battalion in La Libertad Department. Lieutenant Colonel Jose Angel Orellana assumed command replacing Colonel Leon Linares.

Colonel Mauricio Vargas Interviewed

PA1306022090 San Salvador Radio Cadena Sonora in Spanish 1200 GMT 7 Jun 90

["Excerpt" of interview with Third Infantry Brigade Commander Colonel Mauricio Ernesto Vargas by Gonzalo Rodriguez; place and date not given—recorded]

[Text] [Rodriguez] Colonel Vargas, what is your opinion of President Cristiani's recent statements? He told reporters that he had expected more results from the meetings with the rebels. Some time later—during the events celebrating his first anniversary in power—he declared 1990 the year of peace. Several opposition groups believe he is politicizing peace because he is acting as if peace can only be obtained by one party.

[Vargas] We must clarify two things here. I totally share the president's first impressions regarding the results of the meetings. I am a member of the Dialogue Commission and am very happy with the agreement. At the same time, however, I am not very satisfied with the results of the meetings. I would have wanted an agreement on maintaining a basic level of peace at least. Nevertheless, I accept that peace is not so easily attainable, and that is why I am very happy with the meetings but not totally satisfied with the results. I am happy because we are on the road to peace. I am not happy, however, because I am a bit impatient. I would have wanted more from the meetings. I would have wanted us to try harder. However, this does not mean there is despair or discouragement. We only wish we could have gotten more for the Salvadoran people.

Unfortunately, this is not an easy task. The conflict has been going on for the past 10 years, and we are not going to end it in eight or ten days. We are going to have to work harder in this direction.

Regarding the year of peace declared by the president, I believe that he is calling all Salvadorans to join in the search for peace. He has called 1990 the year of peace and wants all of us to help in attaining this peace. It is a mistake to visualize peace as belonging to one party. The president does not represent any political party. He is our president and the head of our country's government, and he is calling for peace as such. Interested politicians may view his actions as attempts to bring credit to his party. I, however, do not believe this is true. By portraying his actions in this way, politicians are really trying to give his message a political tone and deform his words. He is talking to us and calling us as our president, as the head of our government, and as the leader who was elected by each and every Salvadoran. This has to be clear in our minds, and each and every one of us must come and join the peace process. Our constitutional president and our government are asking that we all work together for peace, that we all join together to further peace, that we each do what we can for peace, and that we form a national unity project based on peace. Peace does not belong to a sector, to certain persons, or to a political party. Peace belongs to each and every Salvadoran. The president's message publicly calls for peace. He calls on us to reflect on our actions. He is calling on those of us who are lazy, apathetic, indifferent, indolent, and who do not want to understand that national unity is needed to attain a firm, strong, and lasting peace for all Salvadorans.

[Rodriguez] Colonel, you just mentioned obstacles. I was going to ask you a question on this subject because the situation apparently tends to get politicized very often. In your opinion, what is it that tends to create barriers and weaken the attainment of total peace in our country? Also, what is your opinion of the FMLN's [Farabundo Marti National Liberation Front] decision not to cease hostilities definitely and to reserve the right to attack because adequate democratic conditions are still lacking?

[Vargas] It seems to me that the FMLN's decision is out of order. Brute force has to disappear when dialogue and the negotiation process are ongoing. The strength of reason—not brute force—must come first. The FMLN wants to continue imposing itself, and its decision to reserve the right to continue attacking people is totally irresponsible.

I definitely think that this creates an atmosphere that is not exactly the best and that makes the peace process more difficult. When two people are fighting, one must first separate them and make them stop punching each other in order to help them reach understanding. However, if we are going to keep punching and kicking each other while we are also talking, I think the atmosphere will not improve. What we must do at the table is use the power of reason, logic, and arguments and not the brute force of violence, terrorism, and irrationality. Otherwise we will not be creating the atmosphere required for this process.

There is mutual distrust and, in order to reduce it and be able to have a modicum of the trust required to further the process, we have to make gestures to reduce the distrust. Then the process will bear fruit. The distrust will not disappear if the FMLN reserves the right to murder and attack the people; trample on the individual freedoms of Salvadorans; and commit any crime, such as burning buses and kidnapping people. I think we have to take a good look at this situation and make a real objective call for support for this peace process because it needs consistent and dynamic support—not lip service.

Guatemala

Government Terms Cacif's Statements 'Illogical'

PA1306031790 Guatemala City PRENSA LIBRE in Spanish 8 Jun 90 p 29

[Text] According to statements made by Claudia Arenas Bianchi, secretary of the Guatemalan Presidency Public

Relations Office, "the Guatemalan Government believes that the statements made by a group of businessmen from the Coordinating Committee of Farming, Commercial, Industrial, and Financial Association (Cacif) are illogical, especially after a group of trade union members peacefully occupied the Chamber of Industry building demanding better wages."

Arenas added that the Guatemalan Government believes that the position adopted by Cacif is irresponsible and intends to justify serious anomalies committed by this organization. These anomalies include the lack of salary payments, noncompliance with agreements granting bonus payments to workers of the private sector, and the promotion of extended profiteering with the prices of staple items.

Arenas Bianchi added that "the government reiterates that the solution to the country's problems calls for the responsible participation of all groups in the country. The position adopted by the private sector, represented by Cacif, proves that there is an opportunistic attitude and a lack of social awareness, in light of the fact that the nation needs the cooperation and the firm participation of all those who work for the benefit of the people."

Arenas Bianchi said that the process of improving and modernizing the country's economy included in the "Program of the 500 Days," which appeared within the context of Guatemala 200, will continue to be implemented as scheduled, because our goal is to create an economy without privileges and at the service of all Guatemalans. Arenas added that the government will continue to create adequate mechanisms to end social injustice.

Cerezo 'Literally Justified' Building Occupation

PA1306030890 Guatemala City EL GRAFICO in Spanish 6 Jun 90 p 4

[Text] President Vinicio Cerezo has literally justified the occupation of the building of the Chamber of Industries by members of trade unions by saying that it is all right to present a complaint in this way. In addition, he attributed the occupation to failures in the institution's security system.

Cerezo said that the union members, although not encouraged by the government (because he was the first to be surprised by the action), did something proper. He added that those who have to be told to lower the prices of goods and to increase salaries are the private businessmen, because they are the ones who pay poor salaries and raise prices unnecessarily.

The president rejected the criticism from Cacif [Coordinating Committee of Farming, Commercial, Industrial and Financial Associations] about the lack of security because the building was seized by a group of union members by the government. [sentence as published]

The Chamber of Industries has its own guards and internal security system. Therefore, if there was some security failure in the building—which, from what we can see, was seized peacefully—it was because of a failure on the part of the Chamber of Industries, Cerezo said. He added that the Cacif did call the police and, armed with a judge's order, the authorities took action accordingly.

On another subject, President Cerezo defended the "unfair economic package" [paquetazo], saying that all that has been said against it are lies. He added that the package includes laws that actually reduce taxes. What we are doing, he said, is adopting control measures so taxes will be paid by those who have to pay them.

He noted that the only price that is being increased is that of passports because their current price does not correspond to their basic cost.

Finally, he explained that the measures that are being instituted, such as the four-percent deposit on exports, are aimed at controlling tax collections, and he noted that it is not a tax increase but a tax withholding.

Cerezo To Release Report on Leftist's Murder

PA1306044890 Panama City ACAN in Spanish 2223 GMT 12 Jun 90

[Text] Guatemala City, 12 Jun (ACAN-EFE)—Guatemalan President Vinicio Cerezo will present the final report on the investigation into the murder of Salvadoran leftist leader Hector Oqueli to Salvadoran President Alfredo Cristiani during the summit that will be held this weekend.

Cerezo told the press today that the report on Oqueli's murder has been completed. Oqueli was killed on 12 January in southwestern Guatemala. His body was found next to the body of Hilda Florez, leader of the Guatemalan Democratic Socialist Party.

The president said that he will give President Cristiani the results of the investigations into the double crime during the economic summit to be held from 15 to 17 June in Antigua, Guatemala, 45 km southwest of Guatemala City.

The president said that no arrests have been made yet in connection with the double murder, and added that the official report will be released to the public next week.

Nicaragua

President Chamorro To Disarm 'Entire Government'

PA1206185790 Panama City ACAN in Spanish 1638 GMT 12 Jun 90

[Text] San Jose, 12 Jun (ACAN-EFE)—Nicaraguan President Violeta Chamorro today said in Costa Rica that after the demobilization of the anti-Sandinist contras, she is going to "disarm the entire government."

Chamorro arrived in Costa Rica today to attend the funeral of former Costa Rican President Jose Figueres Ferrer, who died on 8 June and who constitutionally abolished the Costa Rican Army in 1949.

"I am also going to disarm the entire government in Nicaragua. I want it to be an example, like that of Costa Rica. What Jose Figueres bequeathed here is what I want for Nicaragua and Central America," Violeta Chamorro said shortly before beginning a meeting with Costa Rican President Rafael Calderon.

The Nicaraguan president said that the anti-Sandinist contras had demobilized "in a very beautiful and impressive ceremony on 9 June."

President Rafael Calderon said that although Violeta Chamorro was arriving "at a time of grief for the Costa Rican people because of the death of Jose Figueres," they would use this opportunity both to "discuss the regional situation and analyze the excellent relations between our two governments."

While Calderon and Chamorro are holding a private meeting, thousands of Costa Ricans and international delegations will accompany Figueres' coffin as it is taken through the center of San Jose to the cathedral, where religious services will be held.

Chamorro in Costa Rica To Attend Figueres Funeral

PA1206170390 Panama City ACAN in Spanish 1423 GMT 12 Jun 90

[Text] San Jose, 12 Jun (ACAN-EFE)—Nicaraguan President Violeta Chamorro arrived today in Costa Rica to attend the funeral of the three-time president of Costa Rica, Jose Figueres, who abolished the Army in 1949.

Chamorro briefly told the press that she was in Costa Rica to render homage to the former president and social democratic "caudillo."

In addition to participating at noon in the religious ceremony to be held at the Metropolitan Cathedral, Chamorro will meet with Costa Rican President Rafael Calderon Fournier to analyze Central American issues.

Figueres, who ruled Costa Rica 1948-49, 1953-57, and 1970-74, died on 8 June in his home following a long illness.

Arguello, Not Godoy, To Be Acting President

PA1206184090 Managua Radio Sandino in Spanish 1200 GMT 12 Jun 90

[Text] The aspiration of Vice President Virgilio Godoy to hold the presidency, even if only temporarily, is still being thwarted because of the distrust generated by his extremism. Godoy will not become acting president during the absence of President Violeta Chamorro, who will leave for Guatemala to participate in the Guatemalan summit on 15-16 June, because Miriam Arguello will be in charge of the government.

According to [words indistinct], Arguello, in her capacity as president of the National Assembly, should assume the presidency while Mrs. Chamorro is in Guatemala, because Virgilio Godoy is being sent to Europe.

Daniel Ortega Comments on Plan To Reduce EPS

PA1306005990 Panama City ACAN in Spanish 2003 GMT 12 Jun 90

[Text] San Jose, 12 Jun (ACAN-EFE)—Former Nicaraguan president Daniel Ortega said in San Jose today that there will be a "significant" reduction in the number of Sandinist People's Army (EPS) members this year as part of a plan to end the EPS reduction process in 1992.

Ortega, who is attending the funeral of former Costa Rican president Jose Figueres, told ACAN-EFE that the plan to reduce the size of the EPS was "agreed upon" by President Violeta Chamorro. The plan was presented by Daniel Ortega's brother General Humberto Ortega, commander of the EPS.

The Sandinist leader refused to state what percent of the EPS will be reduced, although he admitted that in light of the real progress made by the contra demobilization process, the EPS reduction is a feasible plan, although "there are still hidden weapons," Ortega said.

Ortega said that the timetable for the implementation of the EPS reduction process, which will conclude on 25 April 1992, includes a first phase "to be carried out immediately" and with "a very high percentage." Ortega added that he "did not want to be one step ahead" and that he wanted to wait for President Chamorro to make the announcement "either today or tomorrow."

Ortega stated that the reduction plan was being prepared before he left the Nicaraguan Presidency on 25 April.

Ortega warned that a reduction of the EPS depends on the implementation of the 1987 Central American peace agreement in all the signatory countries: Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica, which has not had an army since 1949.

Ortega announced that the Sandinist Front will send a message to the Central American presidents who will meet in Guatemala next weekend to urge them to discuss matters such as Central American economic democratization and human right violations, which, he said, "are still occurring in Central America."

Daniel added that the Sandinist Front's priority within Nicaragua is to contribute to the country's economic recovery by exercising a "constructive opposition" since the issue of the war "has already stepped down from the foreground."

Ortega Announces FSLN Democratization Process

PA1206181990 Managua BARRICADA in Spanish 11 Jun 90 pp 1, 5

[Text] Commander Daniel Ortega announced yesterday that on 16-17 June, the Sandinist National Liberation Front [FSLN] will begin an orderly internal process to deepen democracy. He said that the process will culminate in 1991 with a party congress. Ortega made the announcement at a meeting with labor delegates from throughout the country at auditorium no. 12 of the Ruben Dario Campus of the UNAN [National Autonomous University of Nicaragua].

Ortega warned that government and church leaders are aggravating the differences among the people by dangerously exalting the contras in a biased manner, while presenting the real heroes of the people as villains.

They do not ask the contras to account for the missing kidnap victims, Ortega said, adding with concern that while the government's economic plan for the contras is known, nothing is said about the reconstruction of all the infrastructure they destroyed.

The decision to maintain the FSLN's unity in the face of its enemies while the internal process of review and deepening of democracy is carried out, was also ratified in El Crucero during another meeting of Managua's Sandinist forces—a people's convention—with Commander Luis Carrion. In this way, the first phase of an intense process of self-criticism within the FSLN concluded. This process has been carried out at all levels of the party since May.

Commander of the Revolution Daniel Ortega Saavedra announced that on 16-17 June, the FSLN will begin an orderly process to strengthen internal democracy and that this process will culminate with a party congress next year.

The high-ranking FSLN leader made the announcement yesterday morning at UNAN's Auditorium No. 12 during an assembly of delegates of labor organizations from throughout the country. He also charged that government and Catholic Church authorities aggravate the differences among the people by biasedly and dangerously exalting the contras. Ortega demanded that the fate of the people kidnapped by the contras be revealed.

They want to distort history by presenting the real heroes of the people as villains. While the church blesses some, it curses others, Ortega said. He added with concern that the economic plan for the counterrevolutionaries is known, but nothing is known about government plans to rebuild the houses and health centers destroyed by the contras.

FSLN Will Defend Democracy

The FSLN is the largest vanguard political force—a fact that does not exempt it from errors, from accommodating positions, and from opportunistic trends. Immediate tasks and objectives will be defined in this weekend's meeting.

The democratic essence of the FSLN has been present in its social program, but we must recognize our defects and weaknesses so as to defend our achievements and democracy. The discussion process we have begun will bring about the strengthening of the FSLN ideologically and will include the broad participation of the rank and file and the people, Ortega said.

Adolfo Acevedo of the Heroes and Martyrs CONAPRO [National Confederation of Professional Associations], Milu Vargas of the women's secretariat of that same organization, Jose Adan Rivera of the ATC [Farm Workers Association], Juan Galan of the UNAG [National Union of Farmers and Cattlemen], Gloria Hernandez of the UNE [National Union of Employees], Marta Marina Gonzales of the UPN [Union of Nicaraguan Journalists], and approximately 50 other leaders participated in the lively dialogue, eliciting expressions of support or rejection from the audience, which at all times made clear its desire to struggle alongside the people.

Human Rights Commission on Contra Kidnappings

PA1306042390 Managua Radio Sandino in Spanish 0052 GMT 13 Jun 90

[Text] From April, when the opposition government of Violeta Chamorro assumed office, to date, the National Commission for the Promotion and Protection of Human Rights [CNPPDH] has received reports on 16 persons being killed and 26 wounded by the contras, the destruction of 13 vehicles, the theft of 414 head of cattle, and the closing down of 150 schools in Region 1.

The CNPPDH has also reported that it has a list with the names of 900 persons whom the contras hve kidnapped between 1982, when the war started, and now. The CNPPDH has requested that the relatives of missing persons have with them all pertinent information so the reports can be properly documented and so the inquiries on each case can be pursued.

The CNPPDH also said it has been impossible for them to work in the development centers for lack of money.

Central Bank President on Economic Aid

PA1206202390 Managua Radio Corporacion in Spanish 2300 GMT 11 Jun 90

[Opening remarks by Central Bank President Francisco Mayorga during news conference at the Cesar Augusto Sandino Airport in Managua on 11 June—recorded]

[Text] I would like to begin by saying that just after the overwhelming victory of Violeta Chamorro and democracy in Nicaragua, we departed for the United States, Japan, and Europe to explain to those countries that we needed economic assistance totalling $350 million to meet the emergency needs of Nicaragua and to launch efforts toward stabilization, recovery, and restructuring of the Nicaraguan economy.

After our explanation, many countries began to check their money vaults to see what they could give Nicaragua as a result of this pressing emergency situation.

The first government to make a concrete offer was that of the United States, the congress of which passed an aid bill totalling $300 million in emergency assistance for Nicaragua. Of the $300 million, $250 million will be used to meet the most important needs of Nicaragua and $50 million will be used to pay the debt that we inherited from the previous government with the World Bank and the Inter-American Development Bank. Consequently, we had a $100 million gap in liquid assets to meet the emergency needs of the country. [as heard]

At the Conference of Donor Countries that was held in Rome, we did not get $100 million, we got $184 million. Of the $184 million, $116 million will come in the form of liquid assets as emergency assistance that will be used over the next six months; the remaining $68 million will be used next year. This economic aid package, together with the offer of the U.S. administration and the ongoing economic assistance projects between European countries and the Nicaraguan Government, some of which were renovated and extended at the Rome Conference, represent at least $900 million in economic assistance to launch the stabilization, reactivation, and economic restructuring program. The implementation of this economic program will begin now and will run until the end of next year. In other words, we can count on $900 million to meet the needs for the beginning of the reconstruction of the Nicaraguan economy.

Of the $900 million, $500 million is being donated by the U.S. Government; $300 million was already approved and $200 million will be requested for the 1990-91 fiscal budget; and the remaining $400 million will be donated by West European countries.

I would like to point out that the aforementioned amount includes the extraordinary economic assistance of the sister Republic of Venezuela, which in addition to voicing its solidarity with Nicaragua at the Rome Conference together with Mexico, Brazil, Argentina, and the Central American countries, announced in a commendable gesture that it will forgive 20 percent of the Nicaraguan oil bill that will be imported beginning next month. This amounts to $20 million this year.

I would also like to point out that the $900 million does not include the economic assistance that was promised to the previous government by the Central European countries and the USSR. We still do not know if the economic assistance of the Central European countries and the USSR will continue [words indistinct] for its continuation, because we anticipated some cuts in this economic assistance. However, we have at least $900 million in economic aid.

I would like to add that the $900 million figure does not include the economic assistance of the Japanese Government that was not established in the Rome Conference because the Japanese Government, in keeping with its congressional budget formalities, has not yet finished preparing its budget. However, the Japanese Government told us in private that its economic assistance for the recovery and reconstruction of Nicaragua will be substantial.

We believe that the economic assistance that we have obtained is enough for us to begin, as Foreign Minister Dreyfus said, the reconstruction of our country by our own effort and honest hard work. The government of Violeta Chamorro has brought peace to Nicaragua. Currently, the process of demobilization of the National Resistance is being completed, and the process of demilitarization of Nicaragua is about to begin. Violeta has brought peace to Nicaragua. Violeta also brought democracy to Nicaragua, because we now have a government that respects the law, where no one can trample on the rights of other citizens based on privilege or political affiliations. We are all obliged to respect the rights of others under a government respectful of the law brought about by the government of Violeta Chamorro.

The government of Violeta Chamorro has also brought large sums of international economic assistance. The previous government was about to collapse because it was discredited because of inefficiency and corruption in handling millions of dollars that came to Nicaragua in the form of economic assistance during previous years.

Labor Discusses Economic Aid, Sandinists' Stand

PA1206211990 Managua Radio Corporacion in Spanish 2300 GMT 8 Jun 90

[Text] Labor leader Jose Espinoza Navas has said that the approval of economic aid is a victory for all Nicaraguans. The associate secretary general of the Confederation for Unity of Trade Unions, CUS, said that the new government will be able to create new job opportunities for Nicaraguan workers with this economic aid. Espinoza said that as long as the government continues its policy to take into account all areas of national life, it will continue to succeed.

[Begin recording] [Espinoza] We view this with great hope, because the government's sense of responsibility has to some extent compelled the donor countries to trust the government's ability to honestly manage the economic aid that we will receive. Given the character of the national salvation government, we are confident the economic aid will be equally distributed among the different sectors of the population. Undoubtedly, the government will keep its part. In addition, the government will use a part of the donation to strengthen the

private sector and another part to strengthen and benefit the social sector—that is, the workers.

We observed that the direct CUS participation, through Secretary General Alvin Guthrie Rivers, in the Conference of Donor Countries that was held in Rome, Italy, meant that the government was represented by delegates of the different workers and business associations to ensure it obtained the positive results that we see today.

We are happy and hopeful because we feel our domestic currency and our jobs will be secure for the future.

[Reporter] Do you think that this economic assistance will really enable the Nicaraguan Government to meet the demands of the large number of jobless workers?

[Espinoza] It has to be so, and this includes not only the demands of the jobless, but also the demands of those who are faced with the threat of mass dismissals. Unfortunately, the Sandinist unions and managers have teamed up at the enterprises to lay off our comrades who are organizing under democratic unions and oppose the vertical, garrison-type unions that have been historically promoted by the Sandinists. We hope this situation will make the Sandinists reflect, because the rights and interests of the Sandinist workers are the same as those of CUS members. [end recording]

Offices 'Instructed' To Hang Chamorro Picture

PA1306042190 Managua Radio Sandino in Spanish 0050 GMT 13 Jun 90

[Text] The Nicaraguan Presidency, through the various ministries and general directorates, has instructed all office bosses that a picture of President Violeta Barrios de Chamorro should be hung on the wall at every work site.

The president's picture should be of such proportion as to command all government offices and those at autonomous institutions. In addition, the picture should overshadow any other ornament or picture. If a picture of Chamorro is not at hand, a symbol that brings her to memory should be placed on the wall instead.

Panama

Endara Interviewed on Economy, Government

PA1306003790 Panama City EL SIGLO in Spanish 11 Jun 90 p 6

["Exclusive" interview with President Guillermo Endara by Carlos Alberto Montaner; place and date not given]

[Text] [Montaner] President Endara, what is the state of the economic situation in Panama?

[Endara] I can answer that question simply by saying that it is in a ruinous state mainly because unemployment is very high.

[Montaner] What is the percentage?

[Endara] We do not have specific figures, but I estimate that it is over 30 percent. In certain metropolitan areas, such as Colon, it is probably 40 percent.

[Montaner] I understand that real estate values have suddenly increased.

[Endara] Yes, given that all values in buying and selling determine the future outlook and that a number of indicators suggest that Panama will definitely recover, the prevailing optimism has increased the value of everything.

[Montaner] Do you believe that the trust of international banks in Panama was destroyed along with the dictatorship?

[Endara] The closing of Panamanian banks for nearly two months and the fact that time deposits and savings accounts are frozen have undoubtedly hurt the tremendous trust that the banking system used to enjoy. It will take a long time to recover that trust and normalize operations in the banking center.

[Montaner] Why was U.S. aid delayed during the early days of your administration?

[Endara] That delay is part of the price that we paid to install a democracy. It is not only a bureaucratic price, because bureaucracy is present in all systems. Slowness is characteristic of democracy.

[Montaner] Is there hunger in Panama?

[Endara] Yes there is. I realize this every time I have an opportunity to meet with truly poor people.

[Montaner] How many government employees are there in Panama?

[Endara] The government is the employer par excellence. There are approximately 160,000 people in the government, and this is an outrage for Panama. That is more than 20 percent of the work force.

[Montaner] Do you plan to do something to reduce the public sector?

[Endara] Of course, but we plan to privatize many state companies first.

[Montaner] Are there plans to demilitarize the Public Force to ensure that it will not become an army again?

[Endara] Yes, that is our goal. We have submitted constitutional amendments to the Assembly to ensure the effectiveness of our efforts. I have a model of the Costa Rican Constitution that banned militarization, military units, and armies. Some people believe that we took a dangerous step on 23 December when we invited former Panama Defense Forces [FDP] members to join the National Police. We arrived at that decision after much thought and for several reasons. One reason is that

there was a sort of state of anarchy at the time, and we needed to a establish at least a minimal Public Force as soon as possible.

[Montaner] Why did you not grant leave to soldiers who remained loyal to Noriega later?

[Endara] There were other reasons. At that time, and even now, we could not leave 13,500 former FDP members unemployed, because they could pose a threat. Also, if we had created the Public Force from scratch, we would have ended up with the same kind of people that were previously members of the FDP.

[Montaner] Where are the people who beat you up?

[Endara] Many are unemployed. Some have been charged and are perhaps under arrest. The truth is that I have not expressly persecuted or sought out any of them.

[Montaner] Was the man who beat up Vice President Guillermo Ford arrested?

[Endara] I believe that several were arrested, because several individuals were involved.

[Montaner] How much money does Panama need for its reconstruction?

[Endara] President Bush's $1 billion figure is very generous and agreeable, and with that amount we will be able to give our economy the boost it needs.

[Montaner] What Latin American countries have given you trouble?

[Endara] I cannot actually complain about any of them. I could complain about Peru for the positions it assumed in the past, but there has been a change lately.

[Montaner] Will the coalition that brought you to power be dissolved?

[Endara] Probably, but I have a hard time accepting this, because I feel that I am its product; I feel committed to it. Despite all arguments, caricatures, and epithets against me, I managed to establish a coalition government by acknowledging the specific strengths of each party.

[Montaner] Your foreign minister recently said that the Cabinet will probably submit a bill to the Executive Branch urging the adoption of the Betancourt Doctrine. The Betancourt Doctrine calls for a break in relations with states, at least in Latin America, that are not the product of honest elections—that is, those that are the product of fraud. Does this imply the adoption of a more vigorous position toward Cuba and an offer of greater support to Cubans seeking freedom for their fatherland?

[Endara] I must say that we went through a very bad experience that makes us share the foreign minister's viewpoint. Where there is no democratic government, as the Betancourt Doctrine states, one must adopt a tough stance and refuse to recognize dictatorships. One must also be firm about this at international forums. This holds true for Cuba, and we must do all we can to help our Cuban brothers attain democracy.

Reportage on Chorillo Refugee Situation

Homeless To March To U.S. Embassy

PA1206161890 Panama City CRITICA LIBRE in Spanish 12 Jun 90 p 7

[Report by Justino Gonzalez]

[Text] The homeless of the Chorrillo neighborhood have turned down the allocation of approximately $800 they would be given to buy household goods. According to the homeless, the sum does not compensate them for what they lost as a result of the 20 December events.

Approximately 18,000 people who lived near the Panama Defense Forces headquarters, where former General Manuel Antonio Noriega had his offices, lost their homes in the fighting after the U.S. invasion.

The homeless, who are living in various locations, have announced that at 0800 today they will stage a protest at the Albrook refugee camp to demand a higher allocation.

According to Luis Nieto, in charge of public relations for the Albrook refugees committee, the $800 comes from funds of the Agency for International Development, the Homeless Board of Trustees, and the Panamanian Government.

Nieto told CRITICA LIBRE that the homeless were not consulted with on the amount allocated to replace their household goods; instead, it is being imposed on them.

It has also been learned that the homeless will stage a march to the U.S. Embassy in Panama City on 20 June to demand a reply to the letter they sent to President George Bush demanding approximately $100 million in compensation.

Several people have died from meningitis at the Albrook hangar refugee camp because of the unhealthy conditions that exist there.

President Guillermo Endara Galimany has announced that the people who used to live in the 24 de Diciembre housing complex will be able to return to their homes, even though they are in arrears with their payments. Arrangements will be made so that they will pay what they owe.

Protest, Demand Compensation

PA1206194890 Panama City LA PRENSA in Spanish 12 Jun 90 p A-1

[Report by Jose Quintero de Leon]

[Text] Refugees from the Chorrillo neighborhood marched yesterday morning and blocked the intersection

of Luis Felipe Clement Avenue (Frangipani) and 7 September Street (Gaillard Highway) to protest the announcement that they will receive only 700 balboas to help them replace their household effects lost in the fire that devastated that neighborhood early in the morning of 21 December.

Cecilio Pitty, a 65-year-old man, told LA PRENSA that this amount is not equal to what they lost in the fire following the military action. They requested a meeting with the corresponding authorities to discuss how to improve that offer.

Pitty said that they have gone to the Presidency of the Republic, the Housing Ministry, and other authorities to try to discuss the issue of compensating them for their lost property, but to no avail.

Meanwhile, Aracellys Sarmiento—a young woman who lost her fast food business with which she helped support her household—wondered why they are treated as if they were beggars. She added that they are told that when they lived in Chorrillo, they did not even have a place to sleep. This is false, because although they are poor, they struggled to live well.

Sarmiento also said that some have received Savings Bank booklets and have purchased land or second-rate housing in other areas in order to move. However, others have not been able to do so because the Savings Bank has not carried out the transaction, which affects both the buyer and the seller.

Meanwhile, her neighbors who are in the refugee camp shouted for justice and better conditions, because they feel life in the hangars is infernal. It is very hot during the day, at night the mosquitoes bother them, and the meals they receive are very meager.

At nightfall, the refugees left the area, tired from being out in the sun and hungry, and without any solution to their problems.

When consulted about this situation, Teresa de Arias Calderon, coordinator of the Chorrillo Refugee Foundation, said that it is up to U.S. AID and its representative in Panama, Mr. Stuckell, to solve the refugees' demands for compensation for their household effects, inasmuch as the foundation does not hand out money.

Minister Denies Meningitis Outbreak

PA1206162790 Panama City CRITICA LIBRE in Spanish 12 Jun 90 p 7

[Text] Health Minister Dr. Jose Trinidad Castillero categorically denied there is an outbreak of "meningococcic meningitis." However, he confirmed that there is a possibility of a measles outbreak.

Dr. Castillero was visibly annoyed by a statement made by Rafael Olivardia—who he described as a "pseudo" leader—concerning a meningitis outbreak that supposedly caused the death of a two-year-old boy residing at the Albrook [refugee] camp. Castillero described Olivardia's statement as irresponsible, adding that sooner or later he will have to respond to the authorities for creating a situation of panic among the population.

Minister Castillero said: "We make responsible statements to the population because the public has a right to know what is happening in a situation like this."

"Therefore, we cannot let anyone like Olivardia make statements without any knowledge, and without measuring the consequences," Minister Castillero stressed. Such statements are punished by law, he added as he challenged Olivardia to prove that the Health Ministry is trying to conceal the existence of an epidemic as he said.

Concerning a possible outbreak of measles, Castillero said that the possibility exists, and that it could have spread from the United States. He said: I warned about this possibility in January when we began a massive vaccination campaign for children in distant areas. An epidemic of this nature in Panama is possible and therefore we have taken preventive measures by conducting a massive vaccination campaign among children thoughout the country, he concluded.

Civic Crusade Marks 3d Anniversary With March

PA1206221890 Panama City CRITICA LIBRE in Spanish 9 Jun 90 pp 1, 2

[Report by Justino Gonzalez Jr.]

[Text] Amid strong criticism of nepotism in the government, the situation of the Public Force, political job appointments, and the snail's pace of the judicial procedures against the collaborators of the overthrown regime, the "Great Civic March" was held yesterday to commemorate the third anniversary of the National Civic Crusade. Dr. Tomas Herrera, leader of the organization that led the frontal attack on former General Manuel Antonio Noriega, said that nepotism in the government must stop and that the appropriate mechanisms for popular consultations and for advising the people of the government's actions must be maintained.

The "Great Civic March" was led by President Guillermo Endara, his fiancee Ana Mae Diaz, Second Vice President Guillermo Ford, and cabinet members.

Speaking from an improvised platform, Tomas Herrera lashed out at the Judicial Technical Police [PTJ] and the Public Force and described them as "dens of hoodlums and scoundrels." Herrera said that the PTJ cannot investigate those cases in which former Noriega collaborators participated, "because they cannot investigate themselves."

The Civic Crusade leader warned that it is possible there are still military men who want to reestablish a military government, "such as the one that brought mourning and grief to the people for 21 years."

Herrera urged the government to be careful when it chooses the new members of the Electoral Tribunal, adding that they should be "impartial" and have no party affiliation.

"The parties have to worry about votes and not about getting their members appointed members of the tribunal," Herrera said.

Civic Crusade leader Aurelio Barria stressed the current importance of the Civic Crusade, and he asked for a moment of silence in memory of those killed by the military regime. Other speakers included Civic Crusade leaders Raul Mulino and Vivian de Aleman.

President Guillermo Endara said the "Civic March" was not a protest against his administration, and he urged the people to be critical to continue on the path toward consolidating democracy.

Second Vice President Guillermo Ford said the process to democratize the country must be strengthened, and he added that he agrees with those who criticize the fact "that former associates of Noriega are freely moving about in the streets, even though they have some accounting to do in the courts."

Candidates for Arnulfist Party Leadership Viewed

PA1306003990 Panama City EL SIGLO in Spanish 7 Jun 90 p 4

["Period...And That's It" column by Jaime Ortega]

[Text] The Arnulfists, forever doomed to their political fate of not participating in any government, have just shown the nation that although Dr. Arias is no longer alive, his memory keeps them united. The record registration they just carried out cannot be ignored, even though it included many people who were not authentic Arnulfists. It cannot be ignored, regardless of how hard political experts try to play down its importance. There is a point of coincidence in the assessments that are being made: Arnulfo's followers definitely did not register because of Endara. It is also agreed that the party leadership will fall on one of its prominent leaders. Naturally, we think that it cannot be the good Don Guillermo who will enjoy this legacy of power.

The Arnulfist Party is a very peculiar party that was ruled by one man from its very beginning. This man never allowed power to be disputed within its ranks. Dr. Arias was an arrogant, selfish, and charismatic man. In fact, he had all the attributes that a caudillo usually has. The Arnulfists are looking for someone like Dr. Arias within their ranks. They are naturally not going to find anyone just like him; however, there are men within the party who can be the leader's successors.

When one speaks of the first Arnulfist Party convention, there are four names that immediately pop up: first, Juan B. Chevalier; second, Hector Penalba; third, Francisco Artola; and fourth, Harmodio Arias III, a young, combative, well-educated man who is Dr. Arias' nephew and could give us a surprise at the convention because of his charisma.

I am inclined to think that Arnulfo Arias' logical successor must be Juan B. Chevalier, a clever, shrewd politician with a strong personality. He is a very sociable person with an imposing figure. He reminds me of De Gaulle in his great moments—because of his belly, of course. I will not mention the other big wheels of the Arnulfist sector because they are already in the last stages of their political careers. They have the merit but not the strength to handle a political force as untamed as that of the Arnulfists.

When the convention is held, we will probably have the first Cabinet crisis in Panama because, we are sure, the Arnulfists will demand that the good Don Guillermo will give them a share of the political pie because they think that their luck must change. If the good Don Guillermo does not yield to the pressures when the party is officially installed, I think he will come off very badly, politically speaking, because, if he does not have a good group of legislators backing him now, without his party's support the good Don Guillermo will be left alone at the Palace of the Herons.

It is not yet known when the convention will be held and when this will happen, but what I am stating is a fact. Since Don Guillermo's sycophants are not telling him the truth, I must honestly inform him. The information I am giving him is free: The Arnulfists are disappointed and unhappy because they feel that the good Don Guillermo has not backed them in anything during the half year of his administration. The modern Arnulfist has a new mentality. There is no doubt that he does not like political masochism. He wants to begin to enjoy what members of the Authentic Liberal Party have been enjoying when they granted the Presidency of the Republic to the good Don Guillermo. The modern Arnulfist does not want to go hungry anymore. He does not want to be abused. He does not want to continue to be a victim. The modern Arnulfist wants to be proud and participate in the government that the Arnulfists helped install, a government that is headed by the good Don Guillermo.

The leader of the Arnulfists will come out of these four men I mentioned, and I predict that the winner will be Juan B. Chevalier. Time will tell!

PERIOD...AND THAT'S IT.

Argentina

Army Commander Reaffirms Support for President

PY1206234290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2210 GMT 12 Jun 90

[Text] Buenos Aires, 12 Jun (NA)—Army Commander General Martin Bonnet today confirmed to President Carlos Menem his "firm support for the president, his administration, and the nation's institutions." Bonnet made these briefs remarks after a meeting with the president and Defense Minister Humberto Romero that lasted less than one hour.

The Army chief said that there has been no breach of discipline at the Eighth Brigade in Mendoza, adding that the problem there "has been totally overcome."

Colonel Denies Reports on Reason for Retirement

PY1206150090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0130 GMT 12 Jun 90

[Text] Mendoza, 11 Jun (NA) — Colonel Orison Cesar Bustos, who was relieved from command of the 8th Mountain Infantry Brigade, today categorically denied reports on the reason he asked to be retired, and he called them "a series of lies." Bustos said he asked to be retired due to a personal "disagreement" with General Hector Martinez, the commander of 4th Army Corps.

The officer invited reporters to his home, where he was dressed as a civilian, to "clarify the reports" that originated in Mendoza and that were disseminated by Buenos Aires newspapers.

Bustos indicated that his leaving the post as commander of the brigade [words indistinct] heart, because that "is totally false, because I have a very sound heart." He also stated that he has not been punished, and he denied that there had been [words indistinct] untidiness in the protocol" during the Army Day ceremony in which Vice President Eduardo Duhalde participated, which was held in Mendoza on 2 June. "I was not arrested at Puente del Inca, and I certainly have no salary problems," Bustos said, referring to reports along those lines.

Finally, he indicated he already knew that his replacement had been selected, but he acknowledged that "he did not know who it is."

Army Appoints New Commander in Skiers Company

PY1206220490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1945 GMT 12 Jun 90

[Text] Mendoza, 12 Jun (NA)—The military situation in the Skiers Company in Puente del Inca at 1530 this afternoon is absolutely normal according to Army sources, who also revealed that the company's personnel are now under the command of Major Antonio Artigas.

Artigas became the company commander after the 15-day house arrest imposed on Maj. Jose Antonioni who did not accept the retirement of Colonel Bustos, chief of the Eighth Mountain Infantry Brigade.

A member of the Puente del Inca Regiment said that "there are no problems" and activities are normal. He indicated that activities in the Uspallata and Puente del Inca garrisons are normal but he refused to say whether Maj. Antonioni was still in command or if he had been relieved.

Reliable sources indicated this morning that the cadre of the High Mountain Rangers Company [Compania de Cazadores de Alta Montana] stationed in Puente del Inca, 160 km west of Mendoza, had rebelled in support of Col. Bustos, chief of the Eighth Infantry Brigade, and that they would not obey their commands.

The morning daily LOS ANDES today confirmed in its first page reports of the last 24 hours that Maj. Antonioni, commander of the Skiers Company in Puente del Inca, reportedly refused to change his position before Gen. Jorge Apa, IV Corps commander.

The daily said that Antonioni explained to Gen. Apa: "It is not a personal matter, the unit decided what position to take, and the decision is a matter of honor."

This morning the efforts by the press to find out the real military situation in Mendoza were unsuccessful because Army spokesmen said: "We cannot say anything on this matter." The reports became more credible when some military sources said: "There are indications of guard reinforcements and military vehicle movements on the streets of the Uspallata garrison.

According to reports Gen. Apa reportedly relieved Maj. Antonioni, and told him that he should consider himself under arrest in the brigade's officers club. Antonioni reportedly told Gen. Apa that "he had no moral authority to arrest him, and that he did not consider himself under arrest."

In this situation Gen. Apa reportedly summoned the deputy commander of the Skiers Company in Puente del Inca who allegedly answered in the same terms given by Antonioni.

The reports also indicate that in addition to Antonioni [words indistinct] while Col. Orison Bustos requested a similar military court for Gen. Hector Martinez, IV Corps deputy commander.

Minister Opposes Pharmaceutical Patenting

PY1206161490 Buenos Aires TELAM in Spanish 1552 GMT 12 Jun 90

[Excerpt] Buenos Aires, 12 Jun (TELAM) — Today Health and Social Action Minister Eduardo Bauza admitted that the U.S. Government is putting pressure on the Argentine Government to try to get it to implement a system of patenting pharmaceuticals, which

would mean "a notable increase in the prices of medicines and the disappearance of that sector of national industry."

The official said that "if patenting medicines would mean that prices would be reduced there would be no problem. However, as the contrary will happen, we categorically oppose the idea and we have until September 1991 to solve to this problem." [passage omitted]

Creditor Banks May Block Privatization Effort

PY1206212290 Buenos Aires BUENOS AIRES HERALD in English 12 Jun 90 p 5

[Text] (NA-DYN)—Central Bank President Javier Gonzalez Fraga admitted yesterday that creditor banks could scuttle the privatizations of Aerolineas Argentinas and Entel if they refuse to grant waivers for the debt-equity swaps that the government hopes to use in the sales.

But Gonzalez Fraga said that he was optimistic that last week's "extremely positive talks" with the banks in New York would gain their permission "in the course of June."

The announcement coincided with a Treasury statement that Director-General of the International Monetary Fund (IMF) Michel Camdessus is to visit Argentina on June 26 in a gesture of the Fund's firm support for the government's economic policies.

Camdessus' decision to travel to the country was reportedly prompted by Gonzalez Fraga's successful talks with creditor banks that renewed interest payments for the first time in 26 months with an initial 40 million dollar disbursement.

Although Gonzalez Fraga declined to give details of Camdessus' visit, he said that talks with private banks would resume formally in July to decide further payments on the country's six billion dollar arrears on interest payments.

The Economy Ministry last week fixed a 40 million dollar monthly maximum on debt payments, only slightly over ten percent of monthly interest obligations of 300 million dollars.

As well as the privatization waivers the government will have to clarify relations over using debt capitalization for private investment. This facility was suspended by Economy Minister Antonio Erman Gonzalez last week.

Economist Roberto Alemann, meanwhile, urged the government to continue its policies of trade openness and said that the dismantling of commercial barriers in Eastern Europe offered Argentina "great export opportunities for leather wool, grain and meat products. [quotation marks as published]

Exhorting President Menem to end all trade restrictions he concluded that "our country has become fed up with discriminations."

Reportage on President's Visit to Italy

WA1206143890

For reportage on the visit by President Carlos Menem to Italy, please see the ITALY & VATICAN CITY section of the 12 June West Europe DAILY REPORT and subsequent issues.

Bolivia

Labor Group Condemns U.S. Ambassador's Remarks

PY1206191090 La Paz PRESENCIA in Spanish 8 Jun 90 p 5

[Text] The Bolivian Labor Federation [COB] yesterday demanded that U.S. Ambassador Robert Gelbard supply evidence that peasant leaders who grow coca are connected with narcotrafficking.

The COB issued a communique in which it criticizes Gelbard's activities. The communique, which is entitled: "The COB Answers An Affront," states: "In view of the unscrupulous statements made by the U.S. ambassador, who charged that peasant leaders who grow coca are connected with narcotrafficking, the COB categorically rejects his statements and informs workers and the public that Ambassador Gelbard is nothing more than a mere agitator, who openly meddles in domestic issues, thus flagrantly violating Bolivian sovereignty."

Peasant organizations have called on the government to hold a national referendum on whether or not to militarize the antidrug struggle, and Ambassador Gelbard's statements have annoyed the unions, which are urging the government to protest to the U.S. Government.

In its communique the COB adds: "This is not the first time that the viceroy of the empire of the north meddles in areas that are none of his responsibility and assumes the role of the government's political, economic, and social guardian, while the government does not defend the dignity of the Bolivian state."

The COB leadership believes that the U.S. Ambassador behaved poorly, "because far from carrying out a strictly diplomatic role, he is hindering the relations of two independent states within the framwork of mutual respect." Therefore, they request the Bolivian Government to send a protest note to the U.S. Government.

Anez Rejects Multinational Antinarcotics Force

PY1206195890 La Paz PRESENCIA in Spanish 7 Jun 90 p 7

[Excerpts] Yesterday, General Lucio Anez—commander of the Special Antinarcotics Force (FELCN)—strongly

rejected the possibility that the Latin American countries would organize a multinational antinarcotics police, as proposed at the OAS meeting.

The controversial proposal, which was surprisingly supported on 5 June by Paraguay and Argentina, has divided the 32 representatives of the countries that took part in the OAS General Assembly, which was held in Asuncion, Paraguay.

"This idea has already been rejected by the Bolivian Government a long time ago, because it is a potential threat to the preservation of a country's national sovereignty," Gen. Anez said.

He also explained that the current FELCN effectiveness ratings have surpassed the goals set by the government, "thus," he added "it makes it unnecessary to consider the idea of a multinational force to take charge of the narcotics problem in Bolivia."

Gen. Anez said he supports the idea that the countries engaged in solving the drug problem must exert more effort to coordinate the correct actions to be taken against drug traffickers, "but always respecting the jurisdiction of their police forces." [passage omitted]

He also quoted Jorge Alderete, former Bolivian Social Defense Under Secretary, as saying that the United States intends to use the antinarcotics multinational force "as an excuse to violently impose its war-like antinarcotics method on Latin America."

"If the Bolivian Government agrees to this clumsy proposal," Alderete said, "it will be making its biggest mistake ever."

National Drug Council Leadership Installed

PY1206202890 La Paz La Red Panamericana in Spanish 0000 GMT 12 Jun 90

[Italicized passages are recorded]

[Text] In a ceremony at Government Palace, President Jaime Paz Zamora tonight installed the permanent members and the executive director of the National Council Against Drug Abuse and Illegal Drug Trafficking, Conalid.

Foreign Minister Carlos Iturralde, Campesino Affairs Minister Mauro Bertero, Health Minister Mario Paz Zamora, and Interior Minister Guillermo Capobianco, who was absent, became Conalid Permanent Council members. Dr. Javier (?Lupo) Gamarra was installed as Conalid executive director.

The chief of state said that with the installation of the Conalid Permanent Council members, Conalid received the institutional status required to implement the government's policy in the struggle against drug trafficking. The president said that it is necessary for Bolivia to begin complying with its integral commitments, namely prevention, interdiction, and crop substitution.

[Paz] *The substitution of crops is the cornerstone of the Bolivian struggle against drug trafficking. This, in no way [words indistinct] our responsibilities regarding interdiction and prevention.*

For his part, Foreign Minister Carlos Iturralde said that the Conalid Permanent Council must dedicate itself to the task of implementing the Social Compensation Fund designed to implement specific projects in the field of crop substitution.

[Iturralde] *Mr. President, we have offers not only from the United States, but from the EEC, Spain, Italy, and other countries.*

As you have just said, now it is time for us to begin to present specific projects of crop substitution. These projects will also deal with social defense, interdiction, and prevention.

Javier (Lupo) Gamarra, the executive director of the CONALID Permanent Council, pledged to make an effort to implement the crop substitution policy to substitute the coca economy.

[(Lupo)] *[Words indistinct] our government and our society to resolutely assume their responsibility of fighting on all fronts the undue abuse and illegal trade of drugs that threaten the health and the morale of our peoples.*

Minister on State Mine's Economic Situation

PY1206222290 La Paz PRESENCIA in Spanish 5 Jun 90 p 1

[Text] Mining and Metallurgy Minister Walter Soriano Lea Plaza yesterday said that the resettlement of 23,000 mining workers did not solve the critical economic situation of the Mining Corporation of Bolivia [Comibol]. He made this statement on announcing that Comibol will have to implement a "severe rationalization plan" within 90 days if it wants to obtain a $40 million loan from the World Bank and the Inter-American Development Bank [IDB]. Soriano said that the period of time established by the banks for the implementation of the plan was effective last week. The plan provides for the adoption of technical and administrative measures, the rationalization of the work and the creation of cooperatives, Soriano added.

Soriano said: "If we do not comply with a series of technical and administrative rationalization measures, we will obtain neither the $22 million loan from the World Bank nor the $18 million loan from the IDB." He added that those resources will help Comibol to overcome its critical economic situation which it has faced since 1985 and which could not be solved with the emergency plan implemented by the former administration because of the drop of tin prices.

The program implemented by the former administration led Comibol to dismiss 23,000 mining workers because of the closure of several tin mines. Despite this measure,

Comibol is still confronting problems. Between August 1989 and May 1990, the company lost $4 million," Soriano said.

Soriano said that the World Bank will cooperate with the new plan to be implemented by the government to solve Comibol's critical situation. He added that the mining workers do not hope to reactivate the company through the creation of a mixed enterprise.

Soriano gave assurances that the plan aimed at reorganizing Comibol does not provide for the closure of additional mines as occurred under the former administration. This plan will seek "to reorganize the company" in which cooperatives made up of mining workers will be created. "We will continue in our effort to meet this objective so as not to place jobs at risk," Soriano added. He boasted that the current government has not dismissed any mining worker during "the second fall of tin prices."

Brazil

Negotiator Outlines Talks on Foreign Debt

PY1206170890 Rio de Janeiro O GLOBO in Portuguese 11 Jun 90 p 16

["Text" of interview with foreign-debt negotiator Jorio Dauster by Silvia Faria and Regina Alvarez in Brasilia; date not given]

[Text] [O GLOBO] What is the government's timetable for foreign-debt negotiations? Will the IMF come in June as planned?

[Dauster] The IMF visit, which is the first stage of the negotiations, depends on the completion of our calculations, which require a review of the public sector budget, of the balance of payments, and—in short—of all the economic figures that are important for a consistent package. The IMF knows that we are running into difficulties because of the great changes we have made. So, if we cannot complete this review in June, it should be completed early in July.

[O GLOBO] There will be a delay, then?

[Dauster] There is a delay because all the parameters have been changed. The IMF and the institutions understand these difficulties. The commercial banks will participate in a stage of structured consultations. I say structured consultations, because I make consultations over the phone every day, without preparations. Throughout July, we will be receiving the banks individually for consultations. In the first stage, we want to hear the banks' opinions, because we know they have different positions, specific interests in some options. We want to know the choices each bank made in the case of Mexico, Venezuela, and Costa Rica. We want to have a picture of the fiscal and accounting problems in each country.

[O GLOBO] During the previous government, the proposal to reduce the outstanding debt ran into the problem posed by the internal banking legislation of each country.

[Dauster] We have a team that is prepared to look into that. Just as other governments have tried to have us review the CACEX [Foreign Trade Department of the Bank of Brazil] and the Central Bank resolutions, we can also try to have them make reviews. We will contact the authorities of foreign governments to see if it is possible to change their banking legislation.

[O GLOBO] Have not the separate talks with banks led to subsequent separate negotiations?

[Dauster] I would like to clarify the story about the committee (of the main creditor banks). In the past, this committee was not a forum where Brazil could obtain better results, because it only represented 16 banks, among hundreds of creditors. Today, the committee represents 80 percent of our commercial debt. Past negotiations were entirely different than current negotiations, because the objective was then to reschedule, not to reduce, the debt.

[O GLOBO] Is the idea of reducing the debt already accepted by the creditors?

[Dauster] That idea has already gained ground internationally, following the Brady plan, which was not a plan but a proposal. The idea that the debt should be reduced is admitted by the U.S. Treasury Secretary, and it is supported by the seven major industrialized countries, the IMF, and the World Bank.

[O GLOBO] How would that reduction be made in the Brazilian case?

[Dauster] We have a menu of options, which includes reduction of the principal, with floating interest rates; keeping the principal as is, with fixed interest rates; conversion into privatized state-owned companies or into risk investments; repurchase of debt notes; bond offerings; etc. It is a much more complex negotiation, so we want to know the banks' positions first.

[O GLOBO] Because of that complexity, wouldn't decentralized negotiations be more appropriate?

[Dauster] That has not been decided yet. We will decide when the time to begin negotiations arrives, once we have studied the possibilities. That question will be asked during the consultations. Venezuela, for instance, advocated a decentralization of the so- called committee negotiations, creating four subcommittees, each representing one of the options. This made the negotiations easier.

[O GLOBO] How many banks do you intend to hold talks with?

[Dauster] I will invite them all. I believe they will be interested in coming, because those who do not take part in the talks will lose their chance to give their opinion about which solution will be best.

[O GLOBO] As they may make it necessary to alter the implementation of the economic plan, can the domestic problems that the plan has been facing in the courts and legislature hinder the negotiations?

[Dauster] The plan is the beginning of everything. Without the plan, Brazil would not have anything to discuss. The plan is our credential. We cannot hold talks without making a very serious adjustment effort. These domestic difficulties are part of the democratic process. If they threaten the plan, the administration will have to take action to prevent the plan from straying from its basic premises. Our capacity to pay the debt will be a result of this plan. This is the fundamental step. We will limit the payment of the debt to what Brazil can pay. Currently, the foreign debt is practically a state debt. Therefore, we must generate funds to purchase dollars and generate capacity to pay the debt. This can be done either by printing more money, which creates inflation; issuing certificates, which increases the internal debt; or generating surpluses that may pay the debt without exerting any pressure on the economy. This is why the government expenses must be reduced, thereby creating surpluses to pay for the dollars.

[O GLOBO] What about the schedule for the negotiation with the governmental organizations?

[Dauster] These organizations make up the Paris Club, with whom we have already held talks. However, this agreement depends on a negotiation with the IMF. This does not prevent us from trying to contact the governments, as we have already contacted Washington. The negotiation with the Paris Club can be held in one or two days.

[O GLOBO] Can we expect any flexibility in the negotiations with the Paris Club?

[Dauster] Recently, the Paris Club has been more flexible. Some years ago, it had entirely inflexible rules. Recently, however, it has opened its doors even to a reduction of the debt of the small countries that have little income. This was called the Toronto decision. Poland has also benefited from more flexible terms and a parallel letter, which was not part of the Paris Club's decision, but which will allow Poland to discuss even a reduction of its debt. This means that there has been some progress in the field, although the Paris Club does not want to admit it.

[O GLOBO] Does this mean that the negotiations will not be held only to reschedule the debt?

[Dauster] Currently, the Paris Club does not accept a reduction of the debt, but we will try everything.

[O GLOBO] And what about negotiations with the IBRD [International Bank for Reconstruction and Development] and the IDB [Inter-American Development Bank]?

[Dauster] Iglesias (Enrique Iglesias, IDB President) and Conable (Barber Conable, Chairman of the IBRD) are trying accelerate disbursements for Brazil, which is today paying more than it is receiving in loans from those institutions.

[O GLOBO] Is the preliminary objective of disbursing the $5 billion this year still being considered?

[Dauster] That is an exaggeration. We have never effectively dealt with that number. The final amount will come out of the revision of the public accounts, which will show the country's potential for servicing the foreign debt.

[O GLOBO] Returning to the alternatives for negotiations on the debt, does Brazil intend to negotiate with the Japanese banks that are opposed to the reduction of the debt?

[Dauster] The Japanese Government has already accepted that theory. The bankers, however, are reluctant to admit publicly that they accept reduction.

[O GLOBO] They feel that a better alternative would be the disbursement of new money?

[Dauster] What had been called new money over the past eight years is not new money. It was an indirect manner of capitalizing the interest. The governments knew that the country could not pay, and so the loans were granted so as to receive the money back immediately. New and effective loans, as those of the 1970's for the electricity sector, will not be granted again very soon. The most important thing is to restore the country's credibility. The hope that not reducing the principal of the debt will bring new money is not true, especially because the negotiations for typical rescheduling of the debt payments have been a planned disaster. It has been known that the country was not in a position to fulfill that objective.

[O GLOBO] What is the new Brazilian strategy?

[Dauster] Brazil does not want to assume a commitment that will be seen by the community and by Brazil itself as unfeasible. I like to use the example of the drunk on the hillside: He gets up, and everyone applauds because an agreement has just been reached. Everyone knows that the drunk will fall after a few steps. The only way to restore that credibility is through negotiations that will consider the reduction of the debt but will also show that the country will be able to fulfill the agreed-upon objective. The debt, which is bad for the bankers today, can be reduced and thus become a good debt. The bankers cannot admit this publicly, but they understand that if a compromise is achieved, both sides will profit.

[O GLOBO] Will debt conversion have an important role in the negotiations?

[Dauster] Yes.

[O GLOBO] Are the banks or enterprises interested in conversion already holding some consultations?

[Dauster] There is an idea to form consortia. The Midland Bank, the Chase Manhattan Bank, and the Bank of Tokyo already have consortiums. Brazilian and foreign banks are also seeking an understanding.

IBAMA Requests Protection for Environmentalists

PY1306012890 Brasilia Domestic Service in Portuguese 2200 GMT 12 Jun 90

[Report by (Nasibrum) Jr., from the Brazilian Institute of Environmental Affairs, IBAMA]

[Text] IBAMA President (Tania Munhoalf) wants the Federal Police to protect (Osmarino Amancio), the successor of Chico Mendes [an environmentalist leader who was murdered in northern Brazil]. She is also asking for protection for (Marcio Moscatelli), the Angra dos Reis Municipality planning adviser. The two environmentalists have received death threats.

(Osmarino Amancio), a brother of Chico Mendes, received a death threat in Acre State and he could be removed from the state by environmentalists.

(Marcio Moscatelli) received death threats after he reported about the destruction of the Angra dos Reis mangroves.

A petition for the protection of the environmentalists was filed last week with the Justice Ministry by 28 environmentalist entities that issued a communique, denouncing the impunity of the murderers of Chico Mendes and the death threats received by other ecologists.

Itaipu Power Plant Workers on Strike

PY1306022290 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Jun 90

[Text] The Itaipu power plant employees on the Brazilian side are on strike. Barely 20 employees are working to prevent interruption of the electric power supply to the southern, eastern, and central eastern regions.

There are 1,200 employees on strike. Many of them gathered early this morning at the power plant's gates. They want the enterprise to meet a 50-point agreement. The main point involves a 166-percent salary increase. The enterprise's directorate has said that it is not in a position to pay the increase asked by the employees.

Chile

Government Discusses Pisagua With Armed Forces

PY1206212890 Madrid EFE in Spanish 0409 GMT 12 Jun 90

[Text] Santiago, 11 Jun (EFE)—After three months in power, the Chilean Government headed by President Patricio Aylwin today started a round of negotiations with government, religious, and military authorities—including General Augusto Pinochet—to discuss the discovery of 21 bodies in a common grave in the northern region of the country that dates back to 1973.

Defense Minister Patricio Rojas held a 40-minute private meeting with Army Commander General Augusto Pinochet, who according to the 1980 Chilean Constitution may hold this post until 1997.

Although the subjects discussed at the meeting were not reported, Interior Minister Enrique Krauss has admitted that they discussed the discovery of, up to now, 21 bodies in the Pisagua port, 1,900 km North of Santiago.

Three bodies have already been identified. They belong to socialist and communist leaders who were summarily executed between October and November 1973 after the September 1973 coup d'etat that put Pinochet in power.

Interior Minister Krauss reported that during a round of consultations with the Armed Forces, the defense minister has held meetings with Air Force Commander Fernando Matthei, and Acting Carabineros Commander Gabriel Ormeno. He added that the defense minister will also meet with Navy Commander Jorge Martinez Busch.

Political sectors, particularly leftist parties that support the Aylwin administration and others that are not members of the ruling party coalition, such as the communist party, have requested the Army High Command to demand Pinochet's resignation for his political responsibility in the Pisagua killings.

This request has been supported by General Horacio Toro Iturriaga, who retired in 1977 and who is currently director of the Investigative Police. Toro Iturriaga said that Pinochet must resign from the Army and that at the least "he has a moral responsibility for what happened in Pisagua in 1973."

Interior Minister Krauss and Justice Minister Francisco Cumplido have also held meetings with Supreme Court Chief Justice Luis Maldonado to reassert the government's willingness to cooperate in the clarification of the macabre finding.

Last week, the Supreme Court appointed Hernan Sanchez Marre as a special judge on the case. He reported that 13 of the 21 bodies that were found have already been identified and that they will be returned to their relatives on 13 June.

The court has labeled the Pisagua case as an "illegal burial of bodies". This was done to stop the civilian judge in charge of the case from declaring his court jurisdiction incompetent to handle the case. If this is done, the case would be transferred to a military court jurisdiction and the 1978 amnesty law may be enforced.

This procedure is dictated by the military justice code that applies to cases involving military personnel; in this

case the former commander of the military zone, General Carlos Forestier, who retired in 1979 and is currently an adviser to the Chilean arms industry owned by Carlos Cardoen.

President Aylwin met with Monsignor Carlos Gonzalez, chief of the Chilean Bishops Conference; and Santiago Archbishop Carlos Oviedo. Regarding the Pisagua case, Archbishop Oviedo said: "We pray for the conversion and repentance of those who perpetrate these terrible things that make all Chileans suffer."

Aylwin also met with Julio Dittborn, president of the rightist opposition party, Independent Democratic Union (UDI).

Dittborn said: "We should not look only within the Armed Forces to find the guilty. We should study the situation within the context of the painful situation our country experienced between 1973 and 1975."

Letelier's Relatives Reject Indemnity

PY1206151890 Madrid EFE in Spanish 2315 GMT 11 Jun 90

[Text] Santiago, 11 Jun (EFE)—The relatives of Orlando Letelier, the former Chilean foreign minister who was murdered in Washington in 1976, today rejected the indemnity "ex gratia" offered by the government in accordance with the terms fixed by the Bryan Commission, which was established based on a 1914 treaty with the United States.

The commission, which is made up of five lawyers—one from each country and three from third countries—is headed by Andres Aguilar, is Venezuela's UN ambassador in New York.

Lawyer Fabiola Letelier, the sister of the murdered minister of the Salvador Allende administration, today released a statement on behalf of her mother and sister. The statement says that "in support of the national call for justice and in repudiation of the crimes committed with impunity during the military dictatorship, we reject the idea of indemnity "ex gratia."

The statement adds that this type of indemnity "establishes a dangerous precedence, weakens the judicial actions still pending in court, and increases the possibility that the case be closed for good."

The statement also says that "it is unacceptable for the Chilean people to pay an indemnity while the people responsible for the double crime have not been punished, are enjoying freedom, and have their assets untouched."

Fabiola Letelier said that her family has been demanding justice for 12 years and that their demands have never been met.

The statement also says that "unlike other serious violations of human rights during more than 16 years of military dictatorship, the truth about this case, and the participation and responsibility of the majority of the people involved in this act of international terrorism have been established."

The statement concludes by saying that "because of its international impact, the public alarm created in Chile, the extensive information on this case, and the many judicial and diplomatic inquiries, the Chilean people see the Letelier case as a test of whether justice will prevail."

A court of the District of Columbia in Washington held agents of the dissolved National Intelligence Directorate (DINA, secret police of the military regime headed by Augusto Pinochet) and members of the anti-Castro Cuban Nationalist Movement responsible for the murder of Orlando Letelier and his U.S. secretary, Ronnie Moffit, on 21 September 1976.

Only two DINA agents were prosecuted, U.S. citizen Michael Townley and former Chilean Major Armando Fernandez Larios. They have already served their sentence.

The case, which was opened in Chile in 1978 by the military court, was closed again two weeks ago.

Defense Minister on Meetings With Commanders

PY1306022690 Santiago Domestic Service in Spanish 2300 GMT 12 Jun 90

[Text] Defense Minister Patricio Rojas today confirmed the meeting he held with the commanders of the Armed Forces and the police in relation to the Pisagua case. In a news conference Minister Rojas disclosed that he requested, on behalf of the government, the cooperation of the Armed Forces to provide information to the court.

[Begin Rojas recording] I reiterated to the commanders the government's well known goal on this issue to fulfill the obligation to support the work of the court. Also, keeping in mind the humanitarian obligation not to prolong the uncertainty and pain of the relatives of the dead, I asked them for the cooperation of all national defense institutions in turning over any available information to the court to allow the discovery and identification of any other similar cases. This cooperation will contribute to the disclosure of what happened. The answer of the Armed Forces and police commanders to providing institutional cooperation to clarify this case was positive. [end recording]

Asked about the comments made by Horacio Toro, director of the Investigative Police Department, Rojas said that the comments were inappropriate for a chief.

[Begin Rojas recording] I believe it is inappropriate for a police department or Armed Forces chief to make comments which may break the good relations that should prevail among all institutional chiefs of this sector. [end recording]

Regarding the threats received by General Carlos Forestier, the minister said this reveals that we still have a situation of tension and danger in our society, prompted by groups who without any doubt represent isolated minorities and who may attack society at any time.

Police Clash With Demonstrators in Santiago

PY1306024890 Santiago Domestic Service in Spanish 2300 GMT 12 Jun 90

[Text] Leftist groups carried out demonstrations with isolated incidents in the area of Plaza Italia and the court building today. The demonstrators shouted slogans against Army Chief General Augusto Pinochet, and members of the judicial branch.

The demonstration was organized by leaders of the so-called Group of Detained and Missing who received the support of Communists, socialists, and the MIR [Movement of the Revolutionary Left]. Carabineros had to act in front of the court building to maintain public order. The walls of several buildings were painted with political slogans. One individual was arrested in the incidents with the police.

Lautaro Youth Movement Attacks School

PY1306030290 Santiago Domestic Service in Spanish 2300 GMT 12 Jun 90

[Text] The police are gathering information on the attack carried out by elements of the so-called Lautaro Youth Movement against a school in the Nunoa district.

The attack was carried out by about 15 individuals. Some of them had their faces covered with black handkerchiefs. They threatened the school's deputy director and teachers. The school is the Liceo A52, at 39 Carmen Covarruvias Street, southeast of Santiago. Some of the extremists carried weapons. They painted slogans on the walls and threatened the school's deputy director, (Jaime Pepiruin), and teachers who were working when the attack occurred.

The attack by the Lautaro Youth Movement concluded with shots fired in the air, and the telephone lines being cut to prevent the police being alerted.

Navy Dockyards Closed to Soviet Fishing Vessels

PY1206164190 Buenos Aires DYN in Spanish 0154 GMT 12 Jun 90

[Text] Valparaiso, Chile, 11 Jun (AFP) — Rear Admiral Sergio Garcia, director of Chile's Naval Dockyards and Armory (ASMAR), told the press on 11 June that the ASMAR is not available for repairs to the approximately 200 Soviet fishing vessels that usually operate off the country's coasts.

Garcia explained that the capabilities of ASMAR, which has installations in Valparaiso, Talcahuano, and Punta Arenas, are completely taken up by the needs of Chilean Navy and commercial vessels.

After a suspension of nearly 17 years, Santiago and Moscow resumed diplomatic relations in March 1990, and Soviet officials immediately established contacts to obtain permission for the docking, supply, and repair of their vessels in Chilean ports.

At present, Soviet vessels use the Peruvian port of El Callao.

Before and after the resumption of relations, the Chilean Navy expressed its qualms about the presence of the Soviet flotillas, which it criticized for espionage activities and the depredation of fishery wealth in the southwestern Pacific Ocean.

* Human Rights Commission Decree Changes Noted

90SM0080B Santiago EL MERCURIO in Spanish 29 Apr 90 p 2-d

[Text]Changes in the Decree

As a result of the intense efforts last weekend and up to Tuesday evening, the draft of the decree underwent two revisions before a final text was decided on.

The documents that EL MERCURIO secured show the areas in which there were major changes and the ones in which there was no wrangling.

First Draft

Whereas:

1. The moral conscience of the Nation demands that the truth about the serious human-rights violations committed in the country in recent years be ascertained;

2. Only the truth can satisfy the elementary demands of justice and create the conditions that are essential to achieve true national reconciliation;

3. Only knowledge of the truth shall restore the dignity of the victims in the public's eye, shall enable their family and kin to honor them as they should, and shall make it possible to repair to some extent the damage done;

4. Without detriment to the powers that belong to the Courts of Justice, it is the duty of the President of the Republic, as the person in charge of the government and the administration of the State and the person responsible for promoting the common good of our society, to do everything that his authority allows him to help ascertain the truth as soon and as effectively as possible;

5. Experience shows that the mere performance of the pertinent legal actions, which are indispensable to prosecute each individual case, identify the guilty, and punish them for the crimes that they may have committed, does not offer a reasonable hope that the country can, within an acceptable period of time, fully ascertain the truth as to what happened;

6. A delay in establishing the truth disrupts peaceful national coexistence and conspires against the desire for a peaceful reconciliation among Chileans;

7. A report or opinion, in conscience, of individuals of recognized prestige and moral authority in the country, who shall receive, gather, and analyze all of the background information that they are provided or that they can obtain on the most serious human-rights violations, shall enable national opinion to form a rational, well-founded judgment of what happened and shall provide the branches of government with facts that shall enable or make it easier for them to adopt the decisions that correspond to each;

8. In order to satisfy its objectives, the task of these individuals must be performed in a relatively brief period. This requires restricting it to cases of disappearances of detainees, executions, and torture resulting in death, committed by agents of the State or personnel working for them, kidnappings or attacks on the life of individuals for political reasons, so that the country can be furnished with an overall picture of the incidents that have most gravely harmed national coexistence. In exercise of the powers vested in me by Articles 24 and 32.8 of the Political Constitution of the Republic, in connection with Clauses 4 and 5 of Article 1 and with Clause 2 of Article 5 of the same Constitution,

I decree:

Article 1. A National Commission of Truth and Reconciliation is hereby created. Its purpose shall be to establish the truth about the most serious human-rights violations committed in the country between 11 September 1973 and 11 March of the current year and to so inform the branches of government.

To this end, serious human-rights violations shall be understood to mean the situations of missing detainees executed or tortured to death by agents of the State or personnel working for them, as well as kidnappings and attacks on the life of individuals for political reasons.

Article 2. The Commission shall consist of the following individuals:

- Mr Raul Rettig Guissen, who shall chair it;
- Mr Ricardo Martin
- Mr Jaime Castillo Velasco
- Mr Jose Zalaquet
- Mr Guillermo Pumpin
- Mr Gonzalo Vial Correa

Article 3. In the performance of its mission, the Commission shall:

a) Receive the well-founded charges of the victims, their representatives, heirs, or relatives, within the period and in the form that the Commission decides;

b) Meet and evaluate the information on the areas of its competence that Chilean, international, intergovernmental, or nongovernmental human-rights organizations submit to it, at its request;

c) Conduct whatever investigations and inquiries it deems appropriate to ascertain the truth, including the request for reports, documents, and background information from State authorities and services, the taking of testimony from witnesses who volunteer it, the personal inspection of given places, the commissioning of expert's reports, and any other procedure that it deems pertinent;

d) Convey to the appropriate court the information that it receives on crimes and that in its judgment constitutes sufficient evidence to indict, and

e) Draft a report or opinion on the basis of all the information that it gathers, in which it sets forth the conclusions to which the Commission has arrived, in the honest judgment and conscience of its members, regarding the serious human-rights violations that have been committed, the identification, fate, or whereabouts of the victims, and the extent of the State's responsibility in them because of the involvement of its agents.

This report shall be sent to the President of the Republic, to the president of the Senate, and to the chief justice of the Supreme Court. Once it has been officially conveyed to these authorities, it shall be made public, and the Commission shall terminate its mission and be automatically dissolved.

Article 4. Under no circumstances may the Commission assume jurisdictional functions that are properly those of the Courts of Justice.

Article 5. The Commission shall have 6 months to perform its mission. If it has failed to do so within this time, it may request, in a well-founded resolution, to extend the period by a maximum of 3 months.

Article 6. Mr...shall serve as Executive Secretary of the Commission. The functions of the Secretary shall be to serve as the Commission's clerk, to organize and direct the Commission with the staff needed to perform its mission and to discharge whatever other functions the Commission may entrust to him.

Article 7. The Commission shall enact its own bylaws to govern its operations. The Commission's activities shall be confidential.

The Commission may delegate to one or more of its members the inquiries mentioned in Clause c) of Article 3 of this decree and to its Secretary the task of receiving the charges, information, and background mentioned in Clauses a) and b) of the same article.

Article 8. By its own decision or at the request of the interested party, the Commission may take measures to conceal the identity and to safeguard the security of whoever furnishes information to or cooperates with it.

State authorities and services shall lend the Commission, within the scope of its powers, all of the cooperation that it may ask of them. They shall be particularly obligated to inform it in writing on facts or circumstances about which the Commission may request background information, to make available to it whatever documents it may request, and to facilitate the Commission's access to whatever places it deems necessary to visit.

Article 9. The members of the Commission shall discharge their functions ad honorem. The Executive Secretary and the staff of the Secretariat shall be paid as officials in the employ of the Justice Ministry, at the expense of....

Article 10. For all legal and regulatory purposes the Commission shall communicate with the government through the Ministry of Justice.

Second Draft

1: Replace "demand" with "require."

2: Same wording

3: Same wording

4. The Courts of Justice are empowered to try each individual case in order to establish the crimes that may have been committed, to identify the culprits, and to hand down the appropriate penalties;

5. The mere exercise of legal action to this end does not offer a reasonable hope that the country can fully ascertain, within an acceptable period, the truth about what happened;

6: Same wording

The following seventh whereas clause is added:

7. Without detriment to the powers that belong to the Courts of Justice, it is the duty of the President of the Republic, as the person in charge of the government and the administration of the State and the person responsible for promoting the common good of our society, to do everything that his authority allows him to help ascertain the truth as soon and as effectively as possible;

The words "or opinion" are stricken from the original seventh whereas clause.

9. In order to satisfy its objectives, the task of these individuals must be performed in a relatively brief period. This requires restricting it to cases of disappearances of detainees, executions, and torture resulting in death, committed by agents of the State or personnel working for them, kidnappings or attacks on the life of individuals perpetrated by private persons under political pretexts, so that the country can be furnished with an overall picture of the incidents that have most gravely harmed national coexistence;

I decree:

A National Commission of Truth and Reconciliation is hereby created. Its purpose shall be to contribute to the reconciliation of Chileans by establishing the whole truth about the most serious human-rights violations committed between 11 September 1973 and 11 March 1990, whether in this country or overseas, if in the latter case they have to do with the Chilean State or Chilean political life.

To this end, serious human-rights violations shall be understood to mean the situations of detainees missing, executed, or tortured to death in which the State bears a moral responsibility owing to the actions of its agents or persons working for them, as well as kidnappings and attacks on the life of individuals perpetrated by private persons under political pretexts.

Additions:

In the performance of its mission the Commission shall endeavor to:

a) Develop as complete a description as possible of the serious incidents in question, their background, and circumstances;

b) Identify the victims and ascertain their fate or whereabouts;

c) Recommend whatever redress or damages it feels are just;

d) Recommend the legal and administrative measures that in its judgment must be adopted to impede or prevent the actions to which this article refers from being committed.

Makeup of Commission set forth in Article 3. Without Pumpin.

Additions:

Article 2. Under no circumstances may the Commission assume jurisdictional functions of the Courts of Justice nor interfere in proceedings pending before them. Consequently, it may not pass judgment on the potential guilt, under the law, of individuals in connection with the events of which it has become aware.

If in the discharge of its functions the Commission receives information about acts that may constitute crimes, it shall communicate it confidentially and without further ado to the appropriate Court.

Letter d) in Article 3 is stricken.

e) Draft a report on the basis of all the information that it gathers, in which it sets forth the conclusions to which the Commission has arrived, in the honest judgment and conscience of its members, regarding the matters referred to in Article 1.

This report shall be sent to the President of the Republic, who shall make it public and adopt whatever decisions or initiatives he deems pertinent. Once the report has

been submitted, the Commission shall terminate its mission and be automatically dissolved.

Article 4 is now included in Article 2.

Article 5: same wording

Article 6: same wording

Article 7. The Commission shall enact its own bylaws to govern its operations. The Commission's activities shall be confidential. The bylaws shall indicate the activities that the Commission may delegate to one or more of its members.

Article 8: same wording

Article 9: same wording

Article 10: stricken

Final Decree

Whereas:

1. The moral conscience of the nation requires the establishment of the truth about the serious human-rights violations committed in the country between 11 September 1973 and 11 March 1990;

I decree:

A National Commission of Truth and Reconciliation is hereby created. Its purpose shall be to help establish the truth about the most serious human-rights violations committed in recent years, whether in this country or overseas, if in the latter case they have to do with the Chilean State or with national political life, in order to assist in the reconciliation of all Chileans and without detriment to the judicial proceedings to which these facts may give rise.

b) To gather information that will enable the victims to be identified and their fate or whereabouts established.

The names of Mrs Monica Jimenez de la Jara and Mr Laura Novos Vazquez are added.

Mr Jorge Correa is appointed secretary.

* Development of Aeronautics Industry Viewed

90SM0080C Santiago EL MERCURIO in Spanish 29 Apr 90 p 1-f

[Article by Julio Cesar Saavedra]

[Text] Some jokingly call them "Kennedy's daughters." But the U.S. senator would surely not find the reference too funny. These are the Chilean defense industries that arose partly because of the embargo on military weaponry and spare parts that the United States imposed on our country under a bill sponsored by Edward Kennedy.

They all date back to more or less the same period, and practically none has settled for filling the gap created by the embargo. They have evolved and now manufacture a wide variety of products and equipment whose applications go far beyond the military. One of these industries, the one that entails the most state-of-the-art technologies, is aeronautics. A little more than 5 years ago it was virtually nonexistent.

Chile took wing very fast in this field and now possesses far-reaching technological and professional capabilities. It is Latin America's third largest aeronautics industry, and its name is beginning to be heard in international circles. We now manufacture everything from helicopters to planes, from pilot helmets to parachutes and very soon we will be producing parts of the most advanced aircraft in the world. Moreover, services that only the Air Force offered not long ago are to be found today in the private sector as well.

It was indeed presumptuous for a country without a history of aeronautics manufacture and, worse yet, located in a remote corner of the world, to try and enter one of the most complex industrial fields and a most demanding market, where technologies and projects take years to bear fruit and require sizable investment.

Whatever approach was chosen, therefore, had to take these realities into consideration; it consisted of associating with already established foreign companies, such as CASA [not further expanded] in Spain and ELTA [not further expanded] and IAI [Aeronautics Industries of Israel] in Israel, among others. This offers a dual advantage: technology transfer and access to markets.

The Chilean Air Force gave the initial push, which in any event was not financial. Consistent with General Fernando Matthei's approach, which he summarized for EL MERCURIO in the remark that "this industry is legitimate only to the extent that it does not commit government revenues," the Chilean Air Force (FACH) merely specified in detail what it needed and what could feasibly be manufactured in Chile, besides offering the necessary facilities to test the resulting products or equipment.

The year was 1984. The first step had been taken.

The Big Falcon

The Chilean giant in this field today is unquestionably the National Aeronautics Enterprise (Enaer). It does not belong to the Air Force (it is an autonomous state-run enterprise), but its main contracts are with that branch. It was born in March 1984, and today its activities range from the design and manufacture of aircraft and a sort of "face-lift" that leaves older planes and equipment looking like new, to the design, manufacture, and maintenance of electronic equipment.

Its first well-known product was the "Pillan" training aircraft, which was designed under a joint program with the Piper Aircraft Corporation to specifications proposed by the FACH. It did such a good job that the plane

has been certified by the world's most demanding institutions, such as the Federal Aviation Administration in the United States.

The "Pillan" is manufactured entirely by Enaer, from the most basic components to the final assembly. It has been exported to two countries, and there is a possibility that other nations will be buying it. Turkey chose it over competitors from the FRG, Switzerland, Italy, and Finland. The contract, which according to a British magazine would have totaled $40 million, ultimately did not bear fruit, owing solely to procedural problems in Turkey's procurement system, which bogged down the negotiations in the United States.

Enaer then produced the Aucan, the turbojet version of the Pillan, the C-101 jet, a joint project with Spain's CASA, and then the Namcu ("aguilucho" [falcon]), the first that was designed 100 percent by the Chilean factory. It is a light plane using composite materials (in other words, high-resistance resins that offer major advantages over metal) and seeks to meet the needs of the civilian market for recreational aircraft.

The small aircraft, whose joint manufacture with Industrias Cardoen has been practically agreed upon, has a modern design, an ergonomic cabin, advanced propulsion and control systems, and...a winner of a price: The target is under $50,000. Flying clubs and other nations have already expressed their interest in it. In September of this year it will be strutting its stuff at the Aeronautical Fair in Farnborough, England, one of the most important and prestigious in the world. It has already appeared at the other major show: Le Bourget in France.

Fountain of Youth

Thanks to Enaer's ability to rejuvenate aircraft, Chile has saved a heap of dollars by not having to buy new airplanes. With Aeronautics Industries of Israel (IAI) as a consultant, Enaer takes older planes in our country, makes structural and aerodynamic modifications, modernizes the control, radar, and electronics systems, gives them a new surname, and puts them on the market in a condition comparable to aircraft of much more recent design. For example, it has turned a Mirage 50 into a Mirage "Panther."

Its success in updating aircraft has been commented on in international journals (among them the British publication AIR INTERNATIONAL and the German magazine IBEROAMERICANA DE TECNOLOGIAS) and has been acknowledged by other manufacturers. This bolsters the possibility of providing this service to third countries.

Moreover, Enaer has evolved from "coarser" operations, such as assembly and repairs, to finer ones, such as the manufacture of specialized components. Right now its technicians are whiling away the time modifying the molecular structure and surfaces of certain alloys that are highly prized in the aeronautics industry and that until recently were the exclusive province of countries at a high level of technological development.

As a result of Enaer's gains and experience, British Aerospace, a world-renowned British aeronautics firm, approached it to propose that the Chilean plant produce structural components and parts for some of the most advanced planes in existence, among them the supersonic fighter-bomber "Tornado," which is built by a consortium of European firms, the "Hawk" training and fighter jet, and the Airbus A-320.

The latter is the most modern passenger jet in the world, with digital control systems ("fly-by-wire," or as the manufacturer, Airbus Industrie, prefers to call it, "fly-by-computer") and composite materials in its structure. It incorporated, and even further developed, technologies that until then had been used only in the supersonic Concorde and in fighter planes. In many respects it was even ahead of Boeing, the largest aircraft manufacturer in the world.

Moreover, Enaer will be the first South American firm authorized to make major repairs on SNECMA [Societe Nationale d'Etude et de Construction de Moteurs d'Avions] engines, the ones that power the Mirage.

Helmets and Vests

Another major player is Industrias Cardoen. It just recently entered the world of aeronautics, but this field could become one of its main sources of earnings. Its major new item, which was introduced at the recent International Air and Space Fair, is the multipurpose Cardoen Bell 206L-III helicopter, which has just been certified by the U.S. aeronautical authority (this is practically a sine qua non for entering the world market). Chilean engineers designed it on the basis of the American Long-Ranger Bell.

Cardoen has adopted a relatively novel competitive strategy: It teaches the purchasers of the plane how to maintain it, thus transferring the corresponding technology to them. This means that unlike other models, upkeep will be easy and can be done independently. Moreover, this aircraft, which can also be used for nonmilitary purposes, such as fire control and emergency evacuations, costs just one-third as much as comparable models, that is to say, some $2.6 million.

But this industry does not live by aircraft alone. Baselli Hermanos Ltda, for example, produced only athletic goods until recently. One day the Air Force approached it and made it a proposition that changed its life. Today the firm manufactures helmets for all kinds of pilots, from fighter pilots to paratroopers, recreational to helicopter pilots.

Such helmets employ relatively high technology, inasmuch as they must be very light and still protect the user, besides incorporating headphones, microphones, and view-finders. The domestic item costs up to 40 percent less than imported ones.

Baselli has also designed a Kevlar bullet-proof vest. Kevlar is a high-resistance nylon fabric using a special material called Aramit. It has also introduced innovations, such as a metallic bullet-flattening layer, that have attracted the attention of others besides the military. Several executives have also expressed an interest, as has a British firm.

High-Flying Fabrics

Another striking example is Confecciones Khamis, which FACH also approached with a similar proposal. It involved combining fabric-making with engineering to produce a very special parachute: a brake parachute for fighter planes. Thus was born CK Equipamiento Aeronautico. The "working environment" of this product is very demanding, inasmuch as it must deal not only with a several-ton aircraft traveling at more than 200 km an hour but also with the blast of hot gases from its exhaust. Thus, its useful life is some 50 landings.

The parachute requires highly specialized materials that never fail. The moment of truth came when the prototype had to be tested: requiring pilots to land using the domestically made parachute. If it did not work...the results could have been fatal.

But everything turned out fine, and today, according to the manufacturer, users are "unanimously pleased." Besides saving foreign exchange, the parachute costs one-fifth less than imported models; moreover, delivery time is much faster. The firm is currently developing a stabilizing parachute for ejection seats and has on the drawing board an "anti-G" suit that will help pilots withstand the huge forces that a high-performance jet subjects them to. Moreover, it has just signed a production contract with France's Aerazur.

Geo Cen Ltda is another in this new wave of aviation firms. Following in the footsteps of the FACH's Aerial-Photogrammetric Service, it identified a fairly large market in the areas of urban planning, resource assessment, geology, lumbering, mining, and road engineering. It has already been involved in laying out the landing strip at the Prat Base in Antarctica and the Torquemada Airfield in the Fifth Region and is engaged in other similar projects, such as linking the northern and southern stretches of the Pan-American Highway.

Among its new developments is a satellite-location system that consists of a direct link from any given spot to a satellite; in seconds the satellite indicates the user's precise location. This is ideal for laying out roads or ascertaining one's location in areas that have no reference points whatsoever. Thanks to an associated company, Aerofoto, it also has available a plane to take aerial photographs that a sophisticated computer system turns into maps or digital data. The plane fulfills a wide variety of other functions, such as taking aerial photographs for general use. For example, more than a few politicians would like to know how their rally looks from the air.

An Eagle Eye From the Beginning

The common denominator of all these aviation firms is, as Matthei says, "to do things well" in order to enter world markets, by advantageously combining low cost and high quality. Although their share of Chile's GDP is still minuscule, their impact has been enormous. They have already managed to reduce the country's dependence on foreign suppliers considerably, with the resulting savings of foreign exchange.

But perhaps more significant is the fact that they are developing first-class national talents and technologies that will be our calling card throughout the world. Embraer, the Brazilian state aeronautics enterprise, which is the biggest and most advanced in South America, acknowledges as much. One of its engineers, Ozilio Carlos da Silve, says that Chile "has the best chance, because of its installed industrial capacity," to join Brazilian-Argentine programs...as a partner.

The worldwide trend is towards consortia and associations. It is something to behold: Airbus, Panavia, Daimler-Benz, and Mitsubishi, among others. Our eagle-eyed aeronautics industry noticed this back when it was first fluttering its wings.

Colombia

U.S. Position at GATT Meeting Reviewed

PA1206165190 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 9 Jun 90

[Report by Marlyn Ahumada]

[Text] Despite the foul play by the United States against Colombia at the GATT meeting, where it prevented the inclusion of our country in the subsidy code, our government keeps the promise of an open-door policy as a strategy to maintain its businessmen's productivity and thus comply with World Bank requirements.

Industrialized countries have offered their agricultural producers subsidies in excess of 12 percent between 1986-88. Farmers in Australia received $12 for every $100 they produced; farmers in New Zealand received $18 for every $100 they produced; farmers in Canada received $46 for every $100 they produced; farmers in the EEC received $50 for every $100 they produced; farmers in Japan received $76 for every $100 they produced; and farmers in the United States received $39 for every $100 they produced.

Now it turns out that the United States, one of the countries that grants the most subsidies to its producers, has decided that Colombian exporters must pay more taxes for selling their products in its market, simply because it supposes that farmers are granted too many benefits in our country. In fact, the United States has demanded an end to soft credits, CERTS [expansion

unknown], and the Vallejo Plan, all tax incentives from the national government to those who generate foreign currency for the country.

These weak arguments were used by the Americans to deny us the right to enter GATT's subsidies code. This means that the United States will not even bother to prove that, in fact, Colombian exporters are operating under better conditions than their competitors. The United States will simply apply its restrictions against our products with the greatest of rigor.

Many have stated that Colombia has gained nothing by being a GATT member because, even though 39 countries have given us their support, the United States is our major trading partner, with whom we trade $4.8 billion every year.

[Begin Farmers Association President Carlos Cano recording] We must participate in the form of blocs and negotiate with the other blocs—the U.S. bloc, the European bloc, and the Japanese bloc—for commercial access. We can only make concessions on a level at which they make concessions.[end recording]

All the discussions are taking place at a time when Colombia opens its doors to foreign products with the so-called open-door policy, but the national government said that—even though we face innumerable limitations abroad for our economic development—the same guidelines will be applied.

[Begin Development Minister Maria Mercedes Cuellar recording] The tendency is for a reduction in subsidies, and for greater competitiveness and more revenue for exporters from a higher foreign exchange rate, compared with what they had in the past. [end recording]

Nevertheless, the government will not subsidize exports despite the adverse circumstances that prevail abroad for Colombians, because the current economic situation does not allow it.

EPL Chief Disavows Peace Talks With Government

PA1306003590 Madrid EFE in Spanish 1828 GMT 12 Jun 90

[Text] Bogota, 12 Jun (EFE)—Francisco Caraballo, top leader of the Popular Liberation Army (EPL) guerrilla group, today disavowed the peace talks being held by the EPL's second in command and the Colombian Government.

The EPL, the third most important guerrilla group in the country, began talks with President Virgilio Barco's administration in April, after announcing its willingness to end its 23-year-old armed struggle.

In statements released today, Caraballo said that the demobilization or the disarmament of its forces is not on the EPL agenda.

One of the government's conditions for any possible peace pact is the demobilization and disarmament of the insurgents.

Caraballo insisted that he is not a party to commitments made by one sector of the EPL, because, in addition to being unilateral, those commitments are contrary to the organization's policies.

The EPL chief explained that if a peace agreement is signed with the Colombian Government, it will be different from the one signed by the 19 April Movement (M-19), which on 9 March relinquished its weapons and became a political party after 16 years of armed struggle.

Caraballo added: The EPL considers the terms of the peace initiative that the government is trying to impose unacceptable.

President Barco proposed the peace initiative on 1 September 1988. It is aimed at achieving reconciliation with the six guerrilla groups that were active at that time in Colombia. The M-19 is the only group that saw the process through to the end.

On 25 May Rafael Pardo, the presidential peace adviser, and Bernardo Gutierrez, the EPL second in command, met for the first time on 25 May somewhere near Bogota.

In another meeting on 8 June, Pardo and Gutierrez agreed that the government would cede a neutral territory to the EPL during the peace talks. That neutral territory, which has not yet been defined, would be free of military operations, and the EPL guerrillas would gather there.

On the same day, the EPL announced that, to demonstrate its real commitment to peace, it would release cattlemen and farmers who had been kidnapped in Cordoba Department, in the northwest of the country. This is the EPL's main area of operations.

It was also reported that the leaders of the Indian Quintin Lame organization and the Workers Revolutionary Party, considered minor guerrilla forces, have announced their intention to begin peace talks.

Similarly, on 8 June, a communique issued by the Colombian Presidency reported that there were internal divisions within the EPL. This was denied in a document purportedly written by the guerrilla group. The EPL and the Presidency both stated that the communiques circulated in this regard were spurious.

However, in light of the statements made by Caraballo today, the peace talks, which were to conclude with the total dismantling of the EPL, have been left up in the air.

Rafael Pardo and Bernardo Gutierrez will meet again in the next two weeks, when the situation should be clarified.

ELN Leader on Conditions for Dialogue

PA1306042790 Madrid EFE in Spanish 1850 GMT 11 Jun 90

[Text] Bogota, 11 Jun (EFE)—Manuel Perez, head of the Marxist-Leninist Colombian National Liberation Army (ELN), stated to EFE that the ELN would never agree to surrender its weapons and declare a unilateral truce to hold a dialogue with the government. Perez made these statements during an interview given to EFE at one of the group's camps in the northwestern Colombian jungle.

Perez, 47, who is a Spanish priest, arrived in Colombia in 1968 and decided to join the ELN a year later. He added that such a dialogue will have to be held openly so that everybody knows what is discussed and the masses can participate in the dialogue.

The rebel leader noted that he does not believe it is likely for such a dialogue to take place soon. He predicted that the elected liberal government of Cesar Gaviria will continue Virgilio Barco's policies of counterinsurgency and big party bosses. Gaviria will become the next Colombian president on 7 August.

He asserted that the ELN controls approximately 200,000 sq km of Colombia's 1.139 million sq km but refused to reveal the number of men in the organization or the type of weapons they have. He added that they are already manufacturing the weapons they use and the ELN has armed commando groups in the country's most important cities.

During the interview given to EFE, Perez stated he was a Marxist- Leninist. He talked about the return of the 19 April Movement (M-19) to civilian life after 16 years of armed struggle and how it had consolidated itself as Colombia's third political force in the past 17 May elections.

Perez said: It seems to me that the M-19 has given up a great many ideals because it has entered Cesar Gaviria's political system, which represents a continuation of the type of regime that the M-19 fought against. I do not see any real sense in that.

Regarding the ELN's attitude toward dialogue with the government, Perez said: We think that we may begin opening negotiations with the government if the necessary conditions are established through popular pressure. For what purpose? So that we can talk about a new government with a specific program and about a new constitution, a sovereign army, our well-being, our sovereignty, our lives, and democracy. There should also be talk about the need for the process to be honest and supervised by international observers because, to us, the negotiations do not mean surrendering our weapons but solving the country's major problems.

When asked about the paramilitary forces, which have been blamed for 6,000 deaths over the last four years, Perez replied: The paramilitary violence is closely linked to the drug trafficking, but that is not the only link. The self-defense groups, which are paramilitary in nature, emerged before the drug trafficking began. They emerged as a result of the big landowners' and the transnational oil companies' response to the guerrilla struggle.

Perez feels that, for the paramilitary forces to disappear, there must be a great public outcry for the government to control the Army and make it stop sponsoring these groups. He also thinks that, if it wants to, the government has enough means to put an end to these forces.

When EFE asked Perez what kind of relationship exists between the ELN and the drug traffickers, he replied: None at all. We have never maintained relations or done any business with the drug traffickers. They have offered to establish relations with us several times, but we have always refused.

When asked what kind of relations, Perez replied: They have asked us to allow them to build landing strips and to establish cocaine-processing facilities in the areas that we control in exchange for weapons, but we have always refused.

Perez does not think that Colombian drug traffickers should be allowed to be extradited to the United States for trial by U.S. justice. He asked: Do we not have laws and jails here too?

Perez, who was born on 9 May 1943 in Alfamen (Zaragoza, Spain), repeatedly told EFE during the interview that the ELN wants to introduce the insurgency into the Colombian cities and that in many cities, the ELN already has commandos with enough military weapons to do so.

Throughout its war, which has gone on for 25 years, the ELN has stood out as a radical group with very concrete military objectives and with hardly any inclination to engage in a dialogue for peace.

One of its military objectives was the murder of Jesus Emilio Jaramillo, 73, bishop of Arauca. The bishop was murdered by an ELN commando group on 3 October 1989. The expression on Perez's face changed when EFE asked: Why did you kill the bishop?

Perez said: It was a mistake. We harshly criticized the comrades who did it. Bishop Jaramillo had problems with the ELN, but this was no justification. We put up with the criticism that was triggered by this action, but I must say that the ELN leadership never condoned it, and we hope nothing like it will ever happen again.

Paraguay

Police Issue Communique on Demonstration

PY1206205290 Asuncion EL DIARIO in Spanish 12 Jun 90 p 4

[Text] Asuncion police yesterday released a communique making clear its position regarding the marches

organized by the coordinating board "No to Impunity" and by the students of the Asuncion National University (UNA) Law School on 7 and 8 June.

The communique states: " On 7 June, police learned from the press that there was going to be a demonstration in front of the Interior Ministry Building. As a result, we had to adopt the usual measures to preserve public order and to guarantee the rights of third parties."

The communique adds: "The demonstrators, however, exaggerated their protests with the clear intention of violating the existing laws, left the cordoned-off area, and neared the Guarani Hotel. From the hotel, they moved on—in total disregard of Interior Ministry instructions, challenging police orders—until they reached the Pantheon of Heroes. At that site, the police dispersed the demonstration."

"Regarding the 8 June events, the police communique states: "The students of the UNA Law School, who seemed to have lost their minds, decided to march again up to the Pantheon of Heroes while the policemen uselessly tried to prevent them from doing so. Because the students were insulting us in indescribable terms, they had to be dispersed and forced to go back to the Law School."

The communique concludes: "At no moment was the demonstration peaceful because the aggressiveness of the demonstrators was morally offensive and contrary to good public behavior. As a result, the police—as guardians of public order—had to repress the demonstration."

Peru

APRA To Support Fujimori's National Agreement

PY1306033490 Lima Television Peruana in Spanish 0100 GMT 13 Jun 90

[Text] Luis Alva Castro, secretary general of the APRA [American Popular Revolutionary Alliance] party, accompanied by APRA leaders Luis Negreiros Criado and Senator Luis Alberto Sanchez, today visited President-elect Alberto Fujimori in his headquarters located in the Crillon Hotel of Lima. Alva Castro expressed APRA's support for Fujimori's call for a national agreement.

[Begin recording] [Alva Castro] We have come to congratulate he who was democratically chosen by the people in the elections. In the name of the APRA party we greeted engineer Fujimori, the Peruvian president-elect by the will of the majority of our people.

[Reporter] [Question indistinct]?

[Alva Castro] We are very happy because the Peruvian people have shown exemplary behavior in both the first and second election rounds. We did not seek any alliance in the second election round. Our only commitment is to the Peruvian people, and without losing our identity and independence, we contributed, together with the Peruvian people, to defeat the right in the elections.

[Reporter] Will you support the call for a national agreement or will you make a political pact?

[Alva Castro] As citizens who freely and democratically cast our votes on the first and second election rounds we told the Peruvian people that a national agreement was the main principle of our election campaign. Therefore, we favor a national agreement, and we will make our best efforts to make all Peruvians unite to bring Peru out of this economic and violent crisis.

[Reporter] Fujimori said he will form a pluralistic cabinet. Would APRA members accept joining it?

[Alva Castro] Look, now we have come to congratulate engineer Fujimori for being elected president of Peru. I want to ratify my party's will to contribute to a national agreement. We repeatedly said that we will remain attentive. Without doubt we are the main political force of Peru. Our national party plenum decided that our party would remain as a constructive, positive, and efficient opposition force in benefit of the large majority of the Peruvian people. [end recording]

List of Elected Senators Released

PY1206120690 Lima Television Peruana in Spanish 0100 GMT 12 Jun 90

[Text] The National Election Board has revealed the official list of elected senators who will assume their posts as of 28 July for a five-year term. Out of 60 senate seats, FREDEMO [Democratic Front] obtained 20, APRA [American Popular Revolutionary Alliance] obtained 16, Change 90 obtained 14, United Left [IU] obtained six, the Socialist Left obtained three, and FRENATRACA [National Front of Workers and Peasants] managed to obtain one.

Mercedes Cabanillas of APRA received the most votes, 328,488, followed by Alberto Fujimori of Change 90, who received 270,543 votes.

The following is a list of the elected senators by party:

Fredemo: Felipe Osterling Parodi, Raul Ferrero Costa, Miguel Vega Alvear, Manuel Moreyra Loredo, Alberto Borea Odria, Juan Inchaustegui Vargas, Beatriz Merino Lucero, Rafael Belaunde Aubry, Ricardo Vega Llona, Luis Bedoya de Vivanco, Javier Alva Orlandini, Sandro Mariategui Chiappa, Gaston Acurio Belarde, Miguel Guruchaga Belaunde, Jorge Torres Vallejo, Luis Bustamante Belaunde, Manuel Ulloa Elias, Andres Cardo Franco, Moises Woll Davila, and Jose Gonzalez Reategui.

APRA: Mercedes Cabanillas, Luis Alberto Sanchez Sanchez, Armado Villaueva del Campo, Abel Salinas Izaguirre, Javier Valle Riestra, Jose Barba Caballero, Humberto Carranza Piedra, Absalon Alarcon Bravo,

Eugenio Chan Cruz, Lucio Abensur Perez, David Cifuentes Ibarra, Jorge Lozada Estabury, Jose Linares Gallo, Benigno Chirinos Sotelo, Guillermo Baca Aguinaga, and Romualdo Biaggi Rodriguez.

Change 90: Alberto Fujimori Fujimori, Maximo San Roman Caceres, Julian Bustamante Caballero, Victor Arroyo Cuyubamba, Luis Vivanco Amorin, Alicia Bustamante Morales, Rosa Kanashiro de Escalante, Max Santolaya Silva, Eulogia Cardenas Salazar, Osvaldo Lesacao Peralta, Luis Gazzolo Miani, Santiago Pacheco Gaitan, Daniel Bocanegra Barreto, and Justo Escalante Bolanos.

United Left: Javier Diez Canceco, Jorge del Prado Chavez, Jorge Hurtado Pozo, Carlos Malpica Silva, Gustavo Mohme Llona, and Hugo Blanco Galdos.

Socialist Left: Enrique Bernales Ballesteros, Francisco Guerra Garcia, and Edmundo Murrugarra Florian.

Frenatraca: Roger Caceres Velasquez.

Economy Minister on Economic Growth, Reserves

PY1206204290 Lima Television Peruana in Spanish 1100 GMT 12 Jun 90

[Excerpts] Economy Minister Cesar Vasquez Bazan has said that the next administration will find a prosperous economy and $800 million in reserves. He also said that he will shortly hold a meeting with the Change 90 economic team to start discussing the transfer of power in the economic sector.

[Begin recording] [passage omitted] [Reporter] [Words indistinct] in what economic situation will the current administration leave the country?

[Vasquez Bazan] Well, we have prepared an economic chart that will be distributed to all of you. I can state that we will leave an economy that is not stagnate. I reassert that Peru experienced a 16-month recession that ended in September 1989. From October 1989 until April 1990, the GDP has been gradually growing. In April, it increased 0.7 percent, while the accumulated GDP growth from 1989 to April 1990 totals eight percent.

You ask me in what state the new administration will find the economy, and I tell you that the current administration will leave an economy that is growing—there is no recession.

About the so-much discussed and so-called reserves issue I can say that when I took office as economy minister on 15 May, Central Bank assets totaled $917 million. By 8 June, Central Bank assets totaled $923 million.

On 15 May 1989, Central Bank net worth totaled $724 million while by 8 June they totaled $784. Therefore, if there are some that say that either the economy minister or the government have exhausted Central Bank assets or reserves, they are wrong. I have just provided you with real figures.

[Reporter] What will the total of reserves be by 28 July?

[Vasquez Bazan] According to the figure the president gave in his state of the nation address in July 1989, $800 million.

Despite difficulties, I have fulfilled a promise I made when I took office in the economy ministry: In May 1989, the minimum salary totaled 84,000 intis; in May 1990, it totaled 1,904,000 intis; while today it totals 2,550,000 intis.

If we compare the increase that the minimum salary has experienced between May 1989 and May 1990, we can verify that it has increased 2,166 percent. [passage omitted] [end recording]

More on Arrest of Terrorists Over Past 24 Hours

PY1206201490 Madrid EFE in Spanish 0350 GMT 12 Jun 90

[Text] Lima, 11 Jun (EFE)—It was officially reported today in Lima that over the past 24 hours the Peruvian police captured 10 terrorists in different parts of the country. During this period at least 28 people died as a consequence of the political violence.

An Interior Ministry Communique has reported that four presumed members of the "Shining Path" Maoist group were detained in Tarma, Junin Department, 247 km east of Lima, and three others in Huangascar, Canete Province, in the hills of Lima Department.

Two other members of Shining Path and one militant of the Guevara faction of the "Tupac Amaru Revolutionary Movement" (MRTA) were also arrested in the localities of Chorrillos and Yerbateros, Lima Department.

Security forces seized three submachine guns stolen from the police, a revolver, one grenade, and ammunition from the terrorists.

The 28 people killed in localities of the Departments of Ayacucho, Junin, Puno, and Ucayali, include military personnel, terrorists, and members of the "peasant defense patrols" (civilian militias) who fight subversion.

The largest number of casualties was recorded in Junin, Central Peruvian mountain region, where the bodies of 15 people were found on Sunday in different places, five of them in Huancayo, departmental capital, 315 km east of Lima.

The police reported that two of the bodies were of presumed terrorists, and that 10 apparently were former "Shining Path" members who deserted the organization to return to their communities, and who were killed out of vengeance by their former comrades.

In La Mar, Ayacucho Department, a marine and eight members of the "Peasant Defense Patrol" from Chulcabamba were killed. These peasants were killed with machetes by a column of "Shining Path" terrorists on

Sunday, the day of the runoff election for the presidency of Peru, after which they set several houses on fire.

Last week the Peruvian police reported that in different operations carried out during the first days of June the police raided the "headquarters" of the "Shining Path" in the Lima district of Monterrico, and that 32 leaders of the Maoist organization were detained.

The Shining Path tried to boycott the runoff election with a number of terrorist attacks, as they did during the general elections on 8 April, and the municipal elections in November 1989, but according to political observers, they failed in their attempt as in those previous occasions because the overwhelming majority of the people decided to cast their votes.

The runoff election ended with the virtual victory of Japanese-Peruvian Alberto Fujimori who defeated writer Mario Vargas Llosa.

Car Bomb Explodes in Cuzco; 1 Dead, 9 Wounded

PY1206134290 Madrid EFE in Spanish 0811 GMT 12 Jun 90

[Text] Lima, 12 Jun (EFE)—Peruvian police have reported that a car bomb exploded today in the Andean city of Cuzco, southern Peru, killing one person and wounding nine. This is the first attack that has occurred since the second round of presidential elections on 10 June, in which Alberto Fujimori won over writer Mario Vargas Llosa.

According to police, the explosion damaged several buildings and caused the death of Erasmo Pena Chipa, 29, a bank guard.

No one has yet claimed responsibility for the attack, but several guerrilla groups, such as the Maoist Shining Path, are active in that area.

This is the most serious attack that has occurred in Cuzco, a city 560 km southeast of Lima, since 1986, when a bomb exploded in the train station. Seven foreigners died as a consequence of that explosion.

Suriname

Army Ordered To Restore Connection to Moengo

FL0806184690 Paramaribo International Service in English 1730 GMT 8 Jun 90

[Text] President Ramsewak Shankar has ordered the National Army to restore the land and sea connection to Moengo immediately. The Army must also cooperate in the restoration of telephone connections between the bauxite town and other parts of the country. This is contained in a letter which was yesterday sent to Army Commander Desi Bouterse. President Shankar says in his letter that the bauxite company Suralco must be given the opportunity to restart its production activities.

Suralco had last Wednesday made it known to the government that it will stop its transfer of hard currency to the state until the traffic to and from Moengo is made easily accessible and the telephone connections are restored. In his letter to the Army, Shankar further points to the fact that stagnation in the production of the Suriname-based bauxite company will have serious consequences on the country.

Regarding the disarming of illegal armed groups, the president said that the National Army should await instructions from the government. The National Army has still not reacted publicly to the order by the government to reopen to and from Moengo.